

- (1) Concession Agreement dated 7th January 1886
between H.E.H. the Nizam's Government and
Messrs. Watson & Stewart.
- (2) Agreement dated 2nd January 1890 between H.E.H.'s Government, the Hyderabad (Deccan) Company &
Messrs. W.C. Watson and J.C. Stewart.
- (3) Singareni Coalfield Lease dated 12th September 1891
granted to the Hyderabad (Deccan) Company.
- (4) Deed dated 12th October 1891 between the Government
and the Hyderabad Deccan Company modifying the
Royalties payable under the Lease of the
Singareni Coalfield.
- (5) Lease of the Malichur Doab Gold Field dated 10th
December 1894 granted to the Hyderabad Deccan
Company.
- (6) Arbitration Award dated 22nd November 1907 fixing
the areas to be leased to the Hyd. De. Coy.
- (7) Supplemental Agreement dated 11th June 1921 between
H.E.H. the Nizam's Government and the Hyd. De. Co.
- (8) Sample Mining Lease of the eleven Mining Leases
dated 7th February 1927 issued to the Hyd. De.
Company.
- (9) Prospecting License dated 22nd November 1923
issued to Sir Fazulbhoy Currimbhoy & Co. P. L.
- (10) Sample Mining of the 6 mining leases dated 17th
October 1927.

9650

DATED 7TH JANUARY 1886.

THE GOVERNMENT OF HIS HIGHNESS THE NIZAM

AND

WILLIAM † CLARENCE † WATSON

AND

JOHN † STEWART.

—:++:—

COPY.

AGREEMENT FOR MINING CONCESSION.

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Madras:

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1894.

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ARTICLE.

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THIS INDENTURE made the seventh day of January 1886 BETWEEN NAWAB MIR LAIK ALI KHAN BAHADUR SALAR JUNG MUNIR-UD-DAOLAH MUKHTAR-UL-MULK IMADAS SULTANA PRIME MINISTER TO HIS HIGHNESS THE NIZAM acting on behalf of the Government of His Highness the Nizam (hereinafter referred to as "the Government") of the one part and WILLIAM CLARENCE WATSON of No 7 Great Winchester Street in the City of London Merchant and JOHN STEWART of No. 26 Throgmorton Street in the said City Esquire (hereinafter referred to as the Concessionaires) of the other part WHEREAS the Concessionaires having on the 7th day of November 1882 made a proposal in writing to the Government for the grant to them of such concession as therein mentioned deposited at the National Provincial Bank of England in the joint names of the Concessionaires a sum of £100,000 as caution money subject to certain terms and conditions agreed between the parties hereto AND WHEREAS by an Edict in writing dated the 2nd day of June 1883 duly executed by the Council of Regency of His Highness the Nizam at Hyderabad Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur C.I.E. the Agent of the Government was amongst other things fully authorized and empowered on behalf of the Government to enter into sign and execute all necessary deeds and papers for granting a mining concession to the Concessionaires AND WHEREAS by a letter dated the 5th day of July 1883 addressed by the Under Secretary of State for India to the said Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur the said Sardar was authorized to act upon the instructions so given to him as aforesaid by the said Council of Regency at Hyderabad AND WHEREAS a Railway Company has lately been formed under the Company's Acts 1862 to 1880 having for its objects (among other things) the construction of a Railway from Hyderabad to Warangal, and thence to the southern frontier of the State of Hyderabad near Bezwada and from Warangal to the northern frontier of the said State near Chanda AND WHEREAS the said Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur has given a general acceptance of the proposal to grant to the Concessionaires the concessions hereinafter contained NOW THIS INDENTURE WITNESSETH that in consideration of the premises it is hereby agreed between the said parties hereto the Government binding itself as to the matters to be performed and observed by the Government and the Concessionaires binding themselves as to all the matters to be performed and observed either by themselves or by the Company to be formed as hereinafter mentioned but subject to the transfer to the same Company of the liability of the Concessionaires as hereinafter mentioned as follows:—

1. The Concessionaires or their respective executors or administrators shall on any date within six months after the capital for the construction of the line from Warangal to Singareni is practically assured form in London under the Company's Acts 1862 to 1880 a Company limited by shares with a capital of not less than £1,000,000 with powers to increase the capital by an issue of debentures or otherwise if necessary and having for or among its objects the acquisition of the rights

and liabilities of the concessionaires under these presents and the execution of the works herein referred to.

2. If such a Company shall be formed before the expiration of the period fixed in clause 1 and if before that period £150,000 of its share capital at the least shall have been subscribed for and £75,000 shall have been actually paid up in respect of the subscribed share capital and if such Company shall also before the said period have adopted this concession and made itself liable to make the payments mentioned in clause 11 hereof and in all other respects liable upon these presents to the same extent as the Concessionaires were or would be liable then it shall be lawful for the Concessionaires to transfer to such Company the benefit of this concession and upon such transfer being effected and notified to the Government before the expiration of the period named in clause 1 all liability of the Concessionaires to the Government hereunder shall cease and the said deposit of £100,000 shall be released to the Concessionaires subject to the deduction of any monies then due from them to the Government. Until so released the same sum of £100,000 shall remain deposited as aforesaid. Provided always that £50,000 of such £100,000 may from time to time be withdrawn and used for the purposes of prospecting and obtaining specimens of ores coal and other deposits but that no actual mining operations shall be commenced nor shall any obligation be entailed on the Government to grant any lease under these presents until the Company hereby agreed to be formed shall have been registered and such proportion of its share capital as aforesaid paid up.

3. The first object of the Company thus constituted will be to work the coal-mine at Singareni. They will when duly constituted arrange as specified in clauses 4 to 12 below for the occupation of the site and opening up the mine in such a manner that they will be in a position to supply (if so required) not less than 500 tons of good coal per week by the date of the opening of the railway communication to either Hyderabad or Bezwada or by the 30th June 1888 at latest.

3a. At any time or times and from time to time until the 1st January 1890 the said Company to be formed as aforesaid may without payment to the Government from time to time select and notify to the Government the selection of such and so many of the following coal and iron mines and beds in His Highness' territories namely the Singareni iron mines the Kammam coal and iron mines the Sasti coal and iron mines the Paoni coal and iron mines the Nirmal coal and iron mines the Hanamkonda coal and iron mines the Yelgandal coal and iron mines and the Medak coal and iron mines as the said Company may wish to acquire for mining operations and on which the said Company shall be prepared to commence within two years from selection or from the opening of a section of the proposed railway within reasonable distance whichever shall first happen active mining operations conformably with the terms of these presents. Every such Notification shall describe the premises therein referred to by reference to the village-plan or map relating to the same or otherwise with sufficient certainty. Provided that this power of notifying shall not extend to any mines or minerals which have once

been leased in pursuance of this concession and have been surrendered abandoned or forfeited as hereinafter mentioned. Provided also that no land shall be taken without the previous consent of the representatives of the Government being first obtained.

4. Upon any such premises as aforesaid being selected and notified as aforesaid if the Concessionaires and the said Company shall up to that time have fully observed and performed their part of the side agreement the Government will from time to time at the expense of the Concessionaires or the Company but free of any premium or other payment not herein expressly provided for grant to the Company or their licensed nominees (if any) and the said Company or their licensed nominees shall accept without any investigation of or objection to the title to such premises a lease of such premises for a term of 99 years from the date of these presents upon and subject to the terms and conditions hereinafter referred to. Any number of mines may at the option of the said Company be comprised in any one and the same lease. The Government shall not be bound to grant any lease to any nominee or assignee of the said Company but only to the said Company but the Government will not as a rule withhold its sanction to the grant of any lease by the Company unless the proposed lessee or assignee be not considered sufficiently solvent.

5. There shall be included in every such lease so much surface as shall be necessary for spoil banks for the purpose of depositing the output from the mines and for constructing buildings roads and works for carrying on mining operations under the lease the quantity and position of such lands (in case of dispute) to be settled by Arbitration under clause 18 hereof. Provided that no surface-land shall be taken for smelting or any other purpose than getting and carrying away the raw ores and other substances gotten from the demised premises unless by special arrangement with the Government.

6. Every lease shall be granted and taken subject to the payment of the rate land assessment usually payable in respect of similar lands in His Highness' Dominions.

7. The privileges intended to be hereby granted shall be taken to be subject to the estates interests and rights (if any) in or to the premises to be comprised in any such lease as aforesaid of all persons (other than the Government and persons claiming under the Government by any grant of the Government of later date than the date hereof) and the Government shall not be called upon to grant any such lease nor shall any land be entered upon nor any operations commenced within or under the same until such arrangements shall have been made at the cost of the Company as regards compensation to holders occupiers or others as shall vest in the Government and enable the Government to hand over to the Company the lands minerals and privileges to be demised. Provided always that the Government shall not be bound to include in any such lease any lands not under their immediate control as to which they may deem it inexpedient to make such arrangements as aforesaid. Every such lease shall contain a covenant by the lessee to compensate all persons subject to whose estates interests or rights such lease shall be granted for all unavoidable or incidental damage and to keep the Government indemnified against all claims for such damage.

8. Every lease shall contain proper powers to the Lessee to work the demised premises and to use any part of the surface therein comprised for spoil banks for the purpose of depositing the output from the mines thereby demised of whatsoever nature it may be and to make and construct on such surface all buildings roads and works either temporary or permanent of every kind for working and carrying on all or any of the mining operations of the Lessee.

9. Every lease shall purport to empower the Lessee for the purposes of mining and with the consent of the Government to make and use roads over the lands adjacent to the premises comprised in such lease and to lay down and use rails sidings and junctions (but without prejudice to the rights of any Railway Company) and to use all ways water-courses rivers and rivulets in and throughout the territories of His Highness the Nizam and belonging to the Government and also a covenant by the Lessee to maintain all roads in good repair which shall be constructed by such Lessee on such adjacent lands.

10. In every lease there shall be reserved to the Government all powers easements and rights necessary or expedient for working by themselves or their grantees in an efficient and usual manner all mines fields beds deposits of coal clay iron iron-stone limestone and other minerals metals precious stones mineral-oils and mineral substances not comprised in the lease and whether or not under the same surface as the premises leased and whether or not originally comprised in the lease.

11. Every lease shall reserve by way of rent royalties on the amount of coal raw ore material or substances won and such royalties shall be fixed by agreement between a Mining Engineer to be appointed by the Government and a Mining Engineer to be appointed by the Lessee or in default of their agreement by an experienced Engineer in India or England to be appointed by the Government of India which said Engineers and Engineer respectively are hereinafter called the Mining Board and the said Mining Board in fixing such royalties shall have regard to the quality of the coal or of the ore material or substances to be worked (as for example in the case of iron whether hematite oxides carbonates or otherwise) the percentage of metal in the ore the selling prices in England and India of coal iron or other substance in question the cost of carriage and all other circumstances and so that the fixing and determining of such royalties shall be based and founded on the general principle of a fair rent. The Company may if threatened with loss by the commodities being unsaleable be at liberty by giving a year's notice to transfer to the Government such mines as they are unable to work profitably.

11 (a)—Provided that in case of the Singareni coal field the rate of royalty shall be computed on quantities won and shall if the sales be less than 100,000 British tons per annum be fixed at eight annas per ton any excess over the above quantity may be charged with a higher rate of royalty up to a limit of one rupee per ton.

12. Every lease (whether of the coal or iron mines hereinbefore mentioned or of any other mines or mineral substances or materials under the provisions

hereinafter contained for leases of other mines or mineral substances) shall also contain covenants by the Lessee (the words Lessee comprehending one or more Lessees their respective executors administrators and licensed assigns) to the following effect so far as applicable to the cases of such lease :—

- I.—To pay the said assessment.
- II.—To pay the said royalties to be reserved in such lease and to be fixed as hereinbefore provided.
- III.—To work in every year of the said lease up to such a minimum total royalty as shall be fixed two years subsequent to the commencing of active mining operations by the Mining Board to be constituted as hereinbefore provided.
- IV.—To maintain in good order and repair and to the satisfaction of the Government all roads buildings plant machinery and works constructed or used by the Lessee or any person claiming under the Lessee during the continuance of the lease except mines incapable of being worked to benefit but this covenant is to be subject to the power of removal to be granted to the Lessee as hereinafter mentioned.
- V.—That the Lessee or any person claiming under the Lessee shall not keep any armed retainers but shall if necessary apply for protection to the Government of His Highness the Nizam who shall engage to afford the same.
- VI.—That the Lessee or any person claiming under the Lessee or their respective servants other than natives of India shall not have nor shall such natives by the permission or sufferance of the Lessee or any person claiming under the Lessee have any monetary transactions with the Government of His Highness the Nizam or the Nobles Jagirdars Jemadars Zamindars or other officials of the Hyderabad State beyond those provided for in the lease.
- VII.—That the Lessee or the executors administrators successors or assigns of the Lessee will not assign underlet or part with the possession of the demised premises or any part thereof unless with the previous consent in writing of the Government.
- VIII.—That the Lessee and all claiming under the Lessee will during the term and after any section of railway is opened within a reasonable distance in the best and most effectual manner and to the utmost and on the most approved principles and with due provision for drainage and ventilation of mines and for the security of life and the maintenance of the value of the property and without intermission except when prevented by insurperable accident work ^{win} get and raise all the mines fields deposits of coal ore and other material or substances comprised in the lease (except such as shall not be capable of being worked to benefit) and so far as is consistent with the covenant next hereinafter mentioned.

IX.—That the Lessee and all claiming under the Lessee will not permit or suffer any subterraneous or other excavations to be made under or within a distance to be fixed in each case and from time to time by the Government Mining Engineer (and which distance may vary for different depths or different soils) of or any works or operations whatever likely to damage structurally any dwelling-house or building belonging to any person other than the Lessee.

X.—That except by the express consent of the Government no coal raw ore or other material or substance raised or gotten from the demised premises shall be removed from the premises for the purpose of sale or otherwise or converted or used for any other purpose until the particulars thereof have been duly entered and recorded together with the amount of the royalties payable in respect of the same but that in the case of coal and ores the Lessee shall be allowed one-tenth of the actual winnings for colliery consumption and waste.

XI.—That the Lessee and the executors administrators successors and assigns of the Lessee will at his or their own expense during the term erect and continue at the place or each of the places where any coal raw ore or other material or substance to be gotten during the term out of the demised premises shall be raised or brought to the surface a machine-house or machine-houses and keep the same in good repair and set up and continue a weighing machine or machines with proper standard weights of His Highness' State in the machine-house or machine-houses so to be erected and will at all reasonable times permit any officers and workmen appointed by the Government in that behalf to have free access to such machine or machines and weights and make use of prove and regulate the same and will keep the same in good repair and at the like expense provide proper persons to superintend the same and will cause all the coal raw ore and other material or substances which shall be gotten from the demised premises (whether the same shall be taken away and sold or disposed of or be used or consumed) to be duly weighed and will cause the weights of all such coal raw ore and other material or substances distinguishing the different classes and qualities to be from time to time entered in proper books of account to be provided for that purpose by the Lessee or the executors administrators successors or assigns of the Lessee and to be kept at the office where such coal raw ore and other material or substances respectively shall be raised or brought to the surface and will not remove consume smelt or dispose of any coal raw ore or other material or substances until so weighed and entered and will permit any persons from time to time appointed in that behalf by the Government at all reasonable times to have free access to the said machine-house or machine-houses and office and to inspect cast up and examine the said books entries and accounts and take extracts

or copies of the same and will permit any person from time to time appointed in that behalf by the Government to be present when the said coal raw ore and other material or substances shall be weighed and also from time to time as often as such persons shall think proper to weigh and take account of all such coal raw ore and other material or substances respectively and for that purpose to have the use of the said machines and also the help and assistance of any of the servants or workmen there employed and the use of the horses wagons carts and other carriages ropes tackle and other implements and machinery employed in or about any of the demised premises without making any compensation for the same.

XII.—That the Lessee and persons working under the Lessee the demised premises or any of them will on the first day of every third calendar month during the continuance of the term settle and make up full true and particular accounts of all coal raw ore and other material and substances gotten and raised from the demised premises and of all sales thereof respectively with dates weights names prices and all such other particulars as the Government shall from time to time require and also of all rents and royalties that shall have become payable under or by virtue of the lease and will keep proper working plans with reference to all operations under the lease.

XIII.—That all accounts pertaining to the matters of this Agreement shall be kept in local currency and in such form as the Government shall from time to time prescribe and a true statement thereof shall be submitted yearly by the Lessee to the Government with copies of all the said plans.

XIV.—That the accounts in respect of each of the following classes of minerals and metals shall be kept separately, *viz.*:—

- (A) Gold and silver
- (B) Iron ore and stone (of which each separate quality is to be in a separate class as if separately here specified.)
- (C) Coal.
- (D) Precious stones.
- (E) Mineral oils.
- (F) Alum.
- (G) Pottery earth
- (H) Fireclay
- (K) Limestone.
- (L) All other clays metals minerals and mineral substances (each to be separately classified.)

XV.—That all books accounts documents plans vouchers and papers relating to any operations under the lease and also all the mines and works of the Lessee shall at all reasonable time be open to the inspection of any person or persons duly authorized in that behalf by the Government

all respects in such state and condition as shall be consistent with the due performance of the covenants in the lease except as shall be otherwise agreed between the Lessee and the Government and also all agreements between the Government and the Lessee.

XIX.—That a special Police shall if required by the Lessee be appointed when necessary to enforce order between the servants of the Lessee when engaged in operations on the premises leased and the subjects of His Highness and that the cost of such Police shall be borne in the following proportions, *viz.*: $\frac{3}{10}$ by the Government and $\frac{7}{10}$ by the Lessee and that the Police force thus constituted shall be placed under the orders of an officer of the Government of India appointed by the British Resident at Hyderabad so long as the Government of India shall consent to such arrangement.

XX.—And also a clause for referring to arbitration any differences or disputes between the Government and the Lessee such clause to be similar (*mutatis mutandis*) to clause 18 hereof

And also covenants by the Government to the following effect, (*viz.*)—

XXI.—That at the expiration or sooner determination of the term created by the lease or at any time previous thereto the Lessee shall be at liberty (subject to the right of persons other than the Government) to remove all engines boilers and other machinery and plant of every description belonging to the Lessee which may be or have been in use on the premises therein comprised in connection with any of the operations under the lease or to sell the same on the spot subject to the same being first offered to the Government at a price to be agreed between the Lessee and the Government or in default of such agreement to be fixed by arbitration under the arbitration clause in the lease.

XXII.—That all machinery plant and utensils required for the purpose of executing any works either temporary or permanent under the lease shall be admitted into His Highness' territories free of all fiscal charges and duties whatever payable to His Highness' Government or to any local authorities claiming under His Highness under a title subsequent to this agreement.

XXIII.—That it shall be lawful for the Lessee to surrender the lease at any time by giving to the Government twelve calendar months' notice in writing whereupon all future liability on the part of Lessee shall cease but without prejudice to the Lessee's liability in respect of any prior breach of covenant.

XXIV.—That if the Lessee shall ~~discontinue~~ or at any time after the granting of the lease neglect or omit or permit or suffer to be omitted the working of any of the demised mines premises but shall not be willing to surrender the lease under the covenant lastly hereinbefore stip-

ulated for it shall be lawful for the Lessee by giving twelve months' previous notice in writing to surrender any or any part of such demised mines and premises without the remainder but including so much of the demised surface as shall thereupon become unnecessary for working the retained mines and premises and thereupon all future liability on the part of the Lessee shall cease as regards the part surrendered (the provisions of the lease being construed distributively) but without prejudice to the Lessee's liability in respect of any previous breach of covenant and upon such surrender the Lessee shall grant to the Government all such powers easements and rights as may be necessary or expedient for conveniently and efficiently working the surrendered mines and premises

XXV.—And also a proviso by way of condition that if and whenever any part of the rents or royalties by the same lease reserved or made payable in respect of any property which shall not have been surrendered shall be in arrear for three months whether the same shall have been legally demanded or not or if and whenever the Lessee shall discontinue working for any 12 consecutive months any mine or mines upon which active mining operations shall once have commenced and which shall not have been surrendered under the powers hereinbefore mentioned and referred to or if the Company shall be wound up or cease to exist or if and whenever there shall be a breach or non-observance of any of the covenants or agreements by the Lessee continued in the same lease and the Lessee shall fail to make pecuniary compensation to the satisfaction of Government for such breach it shall be lawful for the Government to re-enter upon any part of the same premises in the name of the whole and thereupon the term thereby granted shall absolutely determine except in so far as shall relate to the recovery of any of the rents or royalties thereby reserved or made payable which shall be then in arrear or to the satisfaction of damage for breach or non-observance of any of the covenants or agreements by the Lessee contained in the lease so terminated and that such right of re-entry may be exercised by the Government notwithstanding the waiver by them of any prior forfeiture or forfeitures.

And also such covenants clauses and provisions as (not being inconsistent with the clauses hereinbefore specified) shall be usually inserted in leases of a similar character of mines in England.

13. When the Railways hereinbefore referred to are completely constructed and in operation and capable of transporting mineral traffic to the necessary extent the Company hereby agreed to be formed or their Lessees shall sell to such Railways coal sufficient for the *bonâ fide* requirements of their traffic at special rates which shall be not less than 30 per cent. below the rates of sale to the outside public provided that the Railway Company engage in a separate agreement with

the Company hereby agreed to be formed to carry the produce of the mines that shall be sold to foreign railways at 30 per cent. below the ordinary quotations for the same classes of traffic and the Company hereby agreed to be formed shall provide mineral traffic on the same Railways to an extent of a freight of £45,000 per annum provided that the Railway Company gives reasonable facilities for such traffic and the development and working of the mines produce sufficient for that purpose.

14. The Concessionaires their executors or administrators shall not nor shall the said Company keep any armed retainers but shall if necessary apply to the Government of His Highness the Nizam for protection which shall at once be afforded by the Government.

15. The Concessionaires their executors or administrators or their servants (other than natives of India) shall not nor shall the said Company or its servants (other than natives of India) nor shall such natives by the permission or sufferance of the Concessionaires their executors or administrators or of the said Company have any monetary transactions with the Government of His Highness the Nizam or the Nobles Jaghirdars Jemadars Zamindars or other officials of the Hyderabad State beyond those provided for in these presents

16. A special Police shall if required by the Concessionaires their executors or administrators until the transfer of this concession to the Company as hereinbefore mentioned and after such transfer than if required by the said Company be appointed when necessary to enforce order between the servants of the requesting party while engaged in operations under this concession in the dominions of His Highness and the subjects of His Highness. The cost of such Police shall be borne in the following proportions that is to say $\frac{3}{10}$ by the Government and $\frac{7}{10}$ by the requesting party. The Police force thus constituted shall be placed under the orders of an officer of the Government of India appointed by the Resident at Hyderabad so long as the Government of India consent to such arrangement.

17. AND THIS INDENTURE FURTHER WITNESSETH that in consideration of the premises it is further agreed between the parties hereto the Government binding itself as to the matters to be performed and observed by the Government and the Concessionaires binding themselves as to all the matters to be performed and observed either by themselves or the said Company but subject to the transfer to the same Company of the liability of the Concessionaires as before mentioned as follows. The Concessionaires or the said Company shall have from the date of these presents (so far as the Government can grant the same) the exclusive right of prospecting and testing for gold silver iron coal precious stones precious metals and other mines and minerals and mineral-oils and mineral substances of what kind soever throughout all portions of the territories of His Highness the Nizam until the 31st day of December 1891 but the Concessionaires or the Company shall before exercising such right notify to Government their intention so to do. The Concessionaires or the said Company may from time to time until the said 31st day of December 1891 select and notify to the Government the selecting of (specifying the same) such and so many of any lands mines fields beds deposits of coal clay iron ironstone limestone and all or any other minerals

metals precious stones mineral-oils and mineral substances in the territories of His Highness the Nizam (other than those specified in the 3rd article of these presents) as they desire to acquire for the purpose of mining operations and such notification shall describe the lands selected by reference to the village map or plan relating to the same and upon any premises being selected as in this clause provided the Government will from time to time at the expense of the Concessionaires or the Company but free of any premium or other payments not by these presents expressly provided for grant to the said Company or their licensed nominees (if any) who respectively shall accept the same without any investigation of or objection to the title a lease or leases of such premises for a term of 99 years from the date of these presents which lease or leases shall reserve in respect of each mineral or mineral substance to be thereby demised rents and royalties to be fixed by the said Mining Board on the principle as near as can be and in the manner provided by clause 11 and contain the same powers and covenants (*mutatis mutandis*) as are hereinbefore provided with respect to the premises to be selected under the provisions of the 3rd article of these presents and the other stipulations of these presents shall apply to the premises to be selected pursuant to the provisions of this clause in like manner as to the premises to be selected under the said 3rd article and as fully as if such stipulations were herein repeated and all such other provisions shall be inserted in such lease or leases as in the opinion of the Mining Board may be required having regard to the peculiar nature of the minerals or mineral substances to be therein comprised. The Concessionaires or the said Company shall be at liberty to defer and shall not be required to exercise their right of prospecting and testing at any time before the first day of June 1888 but from the date of their application for leave to exercise such right they shall be liable to pay to the Government up to the 31st day of December 1891 by equal quarterly payments and as the consideration for such exclusive rights to prospect and test the yearly sum of British Rs. 50,000 from which there shall be deducted any royalties paid to the Government under any lease granted pursuant to the provisions in this paragraph contained.

18. If any dispute or difference shall arise between the Concessionaires or their executors or administrators or the Company to be formed as hereinbefore is mentioned on the one hand and the Government on the other hand concerning this concession or the interpretation thereof or the rights or liabilities of either party hereunder such dispute or difference shall be referred to a Board of Arbitration one member of which shall be appointed by the Government and the other by the other party to the dispute or difference and the duty of the said Board shall be to enquire into and equitably adjust and determine such dispute or difference and if unable to do so by reason of difference of opinion among the members thereof or for any other reason to refer the same difference or dispute to an umpire to be appointed by the mutual consent of the said Board in each case before they proceed to arbitration or in case the Board shall not within 14 days after the dispute or difference shall have been referred to them have appointed the said umpire the appointment of an umpire may be made upon the application of either party by Her Majesty's Secretary of State for India and the decision of such Board or in the event of their not arriving at a decision as aforesaid the decision

of such umpire shall be final and binding upon both parties and no appeal shall lie therefrom and upon every such reference the Board of Arbitration and Umpire shall respectively have power to examine witnesses upon oath or affirmation and to fix settle and determine the amount of the cost of the reference and award respectively or incidental thereto to be paid by both parties or by either party and to direct and award when and by whom such costs shall be paid. In matters not otherwise herein provided for the provisions of the Common Law Procedure Act 1854 and the Acts amending the same shall (*mutatis mutandis*) have effect in relation to every arbitration under this indenture.

IN WITNESS whereof the said Nawab Mir Laik Ali Khan Bahadur Salar Jung Munir-ud-Doulah Mukhtar-ul-Mulk Imadas Sultana acting on behalf of the Government of His Highness the Nizam has hereunto affixed the Seal of State of His Highness' Government and the said William Clarence Watson and John Stewart have hereunto set their hands and seals the day and year first above written.

The Seal of State of the Government of His Highness the Nizam affixed by the Nawab Salar Jung Imadas Sultana the Prime Minister of the Government of His Highness the Nizam in the presence of	} (Sd.)	The Seal of State affixed by me Salar Jung Imadas Sultana.	Seal of the Government of His Highness the Nizam.

(Signed) ALEXR. H. E. CAMPBELL,
COLONEL,

Supt. & Magistrate Residency Bazaars,
Hyderabad Deccan.

(Signed) William Clarence Watson by his duly
constituted Attorney.

C. A. WINTER.

Signed sealed and delivered by the above named
William Clarence Watson and John Stewart by their At-
torney Charles Albert Winter in the presence of

(Signed) John Stewart by his duly con-
stituted Attorney
C. A. WINTER.

(Signed) ALEXR. H. E. CAMPBELL,
COLONEL.

(Signed) W. C. FURNIVAL,
Agent & Chief Engineer,

His Highness the Nizam's Guaranteed,
State Railways Company Limited,
Hyderabad Deccan.

L.

Dated 2nd January 1890.

HIS HIGHNESS THE NIZAM OF
HYDERABAD

AND

THE HYDERABAD (DECCAN)
COMPANY (LIMITED)

AND

MESSRS. W. C. WATSON, J. G. STEWART
AND C. J. STEWART.

Agreement.

IRESHFIELDS & WILLIAMS.

Printed at H. H. the Nizam's P. W. D. Press.

This Agreement, entered into this Second day of January, 1890, BETWEEN HIS HIGHNESS THE NIZAM OF HYDERABAD (hereinafter called "His Highness"), of the first part; THE HYDERABAD DECCAN, COMPANY LIMITED (hereinafter called "the Company"), of the second part; WILLIAM CLARENCE WATSON, of 7 Great Winchester Street, in the City of London, Merchant (hereinafter called Mr. Watson), and JAMES GRAHAME STEWART, of the Conservative Club, St. James's Street, in the County of London, Esquire, and CHARLES JAMES STEWART, of No. 70 Lexham Gardens, in the said County, Esquire (which said James Grahame Stewart and Charles James Stewart are the Executors of John Stewart deceased, and are hereinafter called Mr. Stewart's Executors), of the third part, and the said WILLIAM CLARENCE WATSON and JAMES GRAHAME STEWART, of the fourth part; Witnesseth as follows:—

By an Indenture dated the 7th day of January, 1886, (hereinafter called "the Concession"), and made between the Government of His Highness and the said William Clarence Watson and John Stewart (hereinafter called Messrs. Watson & Stewart), it was agreed that Messrs. Watson & Stewart should, within the time therein mentioned, form in London a Company of the description therein mentioned, having for or among its objects the acquisition of the rights and liabilities of Messrs. Watson & Stewart under the Concession and the execution of the works therein referred to; and if within such time such a Company should be formed, and the proportions of its capital therein mentioned should be subscribed and paid up, it should be lawful for Messrs. Watson & Stewart to transfer to such Company the benefit of the Concession; and it was agreed that the Company should have certain mining and other rights within the dominions of His Highness, of the nature and upon the conditions more fully expressed in the Concession, to which reference is hereby made.

Messrs. Watson & Stewart, as they allege, within the time in that behalf limited by the Concession, formed the Company, and subscribed and paid up the proportions of its capital thereby prescribed, and sold and transferred to it the Concession in consideration of certain fully paid shares of the Company allotted to them.

On the 20th July, 1887, the said John Stewart died, having by his will, dated the 19th February, 1885, appointed the said James Grahame Stewart and Charles James Stewart, and also Matilda Stewart and Henry Hardcastle, executors thereof; and the said will was proved by the said James Grahame Stewart and Charles James Stewart on the 9th August, 1887.

His Highness asserts and maintains certain claims against one

Abdul Huk, who had been, previously to the said 7th day of January, 1886, and then was, an official in the service of His Highness, by reason of his being, as His Highness alleges, interested in the said Concession with Messrs. Watson and Stewart to the extent of a one-fourth part or share thereof or therein; and also in respect of certain dealings or transactions of the said Abdul Huk in connection with certain shares in the Company by disposing of them to His Highness.

His Highness also raised objections to the propriety and validity of the formation of the Company, and to the terms on which the Concession was sold and transferred to it, and disputed the right of the Company to any of the rights or privileges granted by His Highness under the Concession; and asserted claims against the parties hereto of the third part in respect of the formation of the Company, and the terms of the transfer to it of the Concession; and asserted claims against Mr. Watson alone, in respect of his acts as agent for His Highness in connection with the disposition of the said shares by Abdul Huk to His Highness.

Suggestions have been made by some of the shareholders of the Company that, by reason of the part taken by Messrs. Watson & Stewart and other parties interested with them in the Concession in the formation of the Company, the settlement of the terms of the sale and transfer to it of the Concession, and the carrying of the same into effect, the Company might be entitled to rescind the said sale and transfer, or to require the parties hereto of the third part, or the parties interested therein with them, to account to the Company for all or some part of the profit thereby made by such parties respectively.

The Company does not admit any of the assertions and claims made by or on behalf of His Highness.

The parties hereto of the third and fourth parts do not admit any of the said assertions and claims, or of the assertions and claims so made or suggested by or on behalf or in the interest of the Company or the shareholders, and recognise no liability in respect of any of the matters hereinbefore referred to; but they are desirous of assisting the Company, and in consequence certain negotiations were commenced for the removal of all objections, claims and disputes of any kind by or between any of the parties hereto, and the obtaining from His Highness of the recognition by him of the Company and its title to the rights and privileges granted under the Concession, and the confirmation of the said Concession to the Company with certain modifications thereof; and these negotiations have led to the arrangement herein contained.

It has been agreed between His Highness and the parties of the second, third and fourth parts that the performance by the parties hereto of the second and fourth parts of the engagements hereinafter contained on their parts respectively shall be accepted by His Highness in satisfaction and discharge of all claims by His Highness against the Company and Mr. Watson and Mr. Stewart's executors and estate, and all other parties originally interested in the said Concession, or any of them (save and except the said Abdul Huk as hereinafter more fully appears), whether such claims have been already asserted or not, arising out of the obtaining of the Concession, the arrangements connected therewith, the formation of the Company, the sale and transfer to it of the Concession, or the connection, if any,

of any of the said parties with any dealings in or with any of its shares, all which claims are hereby abandoned.

His Highness, at the request of the parties of the second and fourth parts, hereby declares that in the event of this agreement being executed, and the engagements of the other parties hereto being duly performed the drafts of the leases and the rates of royalties for coal and all other minerals mentioned in the Concession shall be promptly settled, in accordance with the terms of the said Concession.

The parties hereto of the fourth part shall subscribe or find responsible subscribers for £150,000 Deferred Share Capital, so that the sum of £150,000 shall be paid to the Company, and which Deferred Share Capital is not to receive dividends for any year unless 5 per cent. be paid for that year on the existing £1,000,000 of capital, but when 5 per cent. is paid for any year on the whole £1,150,000, further dividends for that year are to be paid on all without distinction.

The Government of His Highness is to have the perpetual right to nominate a Director, who need not be qualified by shares, and who may reside in England or in India, and who shall have the same rights and powers as the other Directors, except with respect to any differences which may arise between His Highness and the Company, as to which he shall not be entitled to vote or otherwise act as a Director. Any necessary regulations to this end are to be carried out by the Company.

Subject to the due performance by the parties hereto of the second third and fourth parts of their respective engagements hereunder, the selecting period under Clause 3A of the Concession is to be extended to December 31st, 1891.

Subject to the due performance by the parties hereto of the second, third and fourth parts of their respective engagements hereunder the Concession, with the modifications thereof stated in the preceding two clauses of this agreement, is hereby confirmed to the Company, their successors and assigns, subject to the due performance by them of their obligations thereunder as so modified.

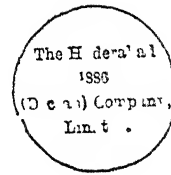
His Highness absolutely reserves and maintains all his rights and claims against the said Abul Huk and his interest or shares in the Company; and no step taken or to be taken by His Highness's Government with reference thereto shall affect or prejudice the rights or position of His Highness, or the obligations hereunder of the parties of the second and fourth parts.

The Company confirms the sale and transfer of the Concession by Messrs. Watson & Stewart to the Company, and renounces all claim to any part of the profit made by means thereof by Messrs. Watson & Stewart, or any parties interested with them in the said sale and transfer.

IN WITNESS whereof His Highness has caused the Seal of State of His Highness's Government to be hereunto affixed, and the Company has

caused its Common Seal to be hereunto affixed, and the parties of the third and fourth parts have hereunto set their hands and seals the day and year first above written.

The Common Seal of the Hyderabad (Peccan)
Company, Limited, was hereunto affixed in
the presence of



G. H. M. BATTEN,
Director.

L. L. HALL,
Secretary.

Signed, sealed, and delivered by the said
William Clarence Watson, in the presence of } W. C. WATSON.

(L.S.)

G. M. CLEMENTS,
Solicitor,
17 Gresham House, Old Broad Street,
London.

Signed, sealed, and delivered by the said
James Grahame Stewart, by Edward
Francis Turner, his Attorney, in the
presence of } J. GRAHAME STEWART, by
EDWARD FRANCIS TURNER,
his Attorney.

(L.S.)

WM. J. NOEL,
Clerk to Messrs Turner & Hacon,
101 Leadenhall Street, London, E.C.,
Solicitors.

Signed, sealed, and delivered by the said
Charles James Stewart, in the presence of } C. J. STEWART.

(L.S.)

WM. J. NOEL.

Signed, sealed, and delivered by the said
James Grahame Stewart, in the presence of } J. GRAHAME STEWART.

(L.S.)

F. A. BAYLARG,
Banker,
Pau.

I hereby certify that J. Grahame Stewart
has appeared before me this 19th day of
December, 1889, and signed this document,
he being known to me.

IN WITNESS whereof I have hereunto set
my hand and official seal the day and year
above written.

(L.S.)

J. MORRIS POST,
Acting British Vice-Consul.

THE
GOVERNMENT OF HIS HIGHNESS
THE NIZAM

— TO —

THE
Hyderabad Deccan Company
Limited.

Lease
OF THE SINGARENI COAL
FIELD.

This Indenture made the Twelfth day of September. One thousand eight hundred and ninety-three BETWEEN Nawab Bashir-ud-Dowlah, Amir-i-Akbar, Sir Asman Jah Bahadur, K. C. I. E., Prime Minister to His Highness the Nizam acting on behalf of THE GOVERNMENT OF HIS HIGHNESS THE NIZAM hereinafter called "the Government" (which expression shall include the Nizam and his successors and the Government for the time being of the Nizam and his successors) of the one part and THE HYDERABAD (DECCAN) COMPANY LIMITED hereinafter called "the Company" (which expression shall include the Company its successors and licensed assigns) of the other part WITNESSETH as follows:—

1. In consideration of the rents and royalties hereinafter reserved and of the covenants by the Company hereinafter contained the Government do hereby demise and grant unto the Company FIRST—ALL AND SINGULAR the mines beds seams veins and deposits of coal comprised in or forming part of the Singareni Coal Field as the same is more particularly described in the first part of the First Schedule hereto AND ALSO all the mineral and other substances intermixed with and usually and properly worked with the said mines beds seams veins and deposits of coal AND SECONDLY—ALL AND SINGULAR the surface lands described in the second part of the First Schedule hereto all which premises hereinbefore expressed to be hereby demised are hereinafter referred to as the demised premises EXCEPT AND RESERVING unto the Government all mines minerals and substances other than and except the mines minerals and substances hereinbefore expressed to be hereby demised WITH LIBERTY AND POWER to the Government and persons authorised by the Government in this behalf (subject to the right of the Company (if any) subsisting under a certain concession dated the Seventh day of January One thousand eight hundred and eighty-six and made between the Prime Minister to and on behalf of the Government of the Nizam of the one part and William Clarence Watson and John Stewart of the other part to have granted to the Company a lease of the said

excepted mines minerals and mineral substances or any of them) to enter upon any surface lands (other than those described in the second part of the First Schedule hereto and secondly hereinbefore expressed to be hereby demised and other than any such additional surface lands as may hereafter be leased to the Company under the provisions hereinafter contained) and to search for work get raise and carry away all or any of the said excepted mines and minerals AND WITH LIBERTY AND POWER for the purposes aforesaid to sink drive erect make and use all such pits shafts adits waterways airways buildings pumps railways tramways roads engines machinery works and other conveniences as shall be necessary or convenient the Government making reasonable and proper money compensation to the Company for any interference with or injury caused thereby to the demised premises or any of them or any of the Company's works TO HOLD the demised premises unto the Company for the term of ninety-nine years from the First day of January One thousand eight hundred and eighty-six subject as from the First day of January One thousand eight hundred and ninety to the terms and conditions hereinafter contained except so far as is otherwise by these presents expressly provided.

2. If at any time during the continuance of the term hereby granted the development and working of the mines and minerals hereby demised shall in the opinion of the Company render it necessary or expedient that the Company should acquire any other surface lands in addition to those described in the second part of the First Schedule and hereinbefore expressed to be hereby demised for spoil banks for depositing the output from the mines hereby demised or for constructing buildings roads railways tramways waterways tanks reservoirs shafts inclines or other works necessary for or properly incident to the better development and working of the said demised mines and minerals or any houses buildings or erections which would or might be injured by the subterraneous workings of the Company the Company shall from time to time give notice to the Government of the quantity position and boundaries of the land houses buildings and erections so required and of the purposes for which the same are required.

3. Upon receipt of any such notice as last mentioned (hereinafter called the notice) the Government as to any lands included in the notice and which in case of any dispute shall under Clause 6 hereof be held to be necessary or

expedient as aforesaid and being in the possession or under the actual and immediate control of the Government and not for the time being used or required for any public purpose shall forthwith give possession and grant a lease of the same to the Company as from the date of the notice for all the residue of the term hereby granted upon the terms and conditions upon which the lands described in the second part of the First Schedule hereto are hereby demised. All the costs and expenses of and incident to every such lease shall be paid by the Company but no fine or premium shall be payable to the Government in respect of such lease.

4. Upon receipt of the notice the Government as to any lands included in the notice which are not in the possession or under the actual and immediate control of the Government and as to any houses buildings or erections included in the notice shall (unless within two calendar months from the receipt of the notice the Government shall give to the Company a counter-notice (hereinafter called the counter-notice) that they deem it inexpedient on grounds either of public or of private policy that the Company should acquire such lands houses buildings or erections or any part thereof) forthwith at the expense and cost of the Company proceed to take all necessary and proper steps and make all necessary arrangements for the expropriation of all tenants and occupiers of and all other persons claiming any right title or interest to or in such lands houses buildings and erections with a view to giving and shall give possession to the Company as soon as possible of so much of the lands houses buildings and erections included in the notice as shall not be included in the counter-notice and shall upon giving such possession to the Company at the cost and expense of the Company but without charging any fine or premium therefor grant a lease of the same lands houses buildings and erections to the Company as from the date of the notice for all the residue then to come of the term hereby granted upon the terms and conditions upon which the lands described in the second part of the First Schedule hereto are hereby demised.

5. The Company shall be liable for and shall forthwith pay to the Government all sums which the Government may be liable to pay and shall actually pay by way of compensation for disturbance or otherwise in respect of the expropriation of such tenants occupiers and persons as in the last preceding clause mentioned. And the Government shall not be bound to grant any lease of the lands included in the

notice until all such sums as aforesaid shall have been fully paid and discharged by the Company.

6. If any dispute question or difference shall at any time arise as to the quantity or position of the lands included in any such notice as aforesaid or whether it is necessary or expedient that the Company should acquire such lands houses buildings and erections or any part of them or as to the purposes for which such lands are required or otherwise as to the validity of and rights of the Company under the notice or as to the validity of the counter-notice or the grounds of inexpediency therein stated or as to the amount of compensation to be paid by the Company under the last preceding clause hereof such dispute question or difference shall be settled by arbitration under the Arbitration Clause hereinafter contained.

7. No part of the lands to be acquired by the Company in pursuance of any such notice as in the second clause hereof mentioned shall be taken for smelting or any other purposes than those mentioned in Clause 2 hereof and the getting and carrying away the minerals and other substances hereby demised unless the Government shall in writing previously consent thereto.

8. The Government will forthwith evacuate and give vacant possession to the Company of all and every part of the lands secondly hereinbefore expressed to be hereby demised which are in the possession or under the immediate control of the Government and also will forthwith take all necessary and proper steps and proceedings at the cost of the Company for the purpose of expropriating from every part of the said lands not in the possession or under the immediate control of the Government all tenants and occupiers thereof and all persons claiming any right or title thereto and forthwith giving and will as soon as practicable give vacant possession of all the said lands to the Company. The Company shall be liable for and shall forthwith pay to the Government all sums which the Government may be liable to pay and shall actually pay by way of compensation for disturbance or otherwise in respect of such expropriation to such tenants occupiers and persons as aforesaid PROVIDED ALWAYS that the Company shall not be liable to pay to the Government any compensation in respect of any lands evacuated by the Government or any compensation which may be paid by the Government for disturbance or otherwise in respect of the expropriation from any

of the said lands of any tenants or occupiers or other persons claiming under the Government by virtue of any grant lease agreement or other document or otherwise howsoever since the Seventh day of January One thousand eight hundred and eighty-six.

9. Without prejudice to Clause 4 hereof the mines and minerals hereby demised are demised and the rights and privileges of working the same hereby granted are granted subject to the rights estates and interests of all owners tenants and occupiers of and all persons claiming any right title or interest to or in the surface lands over and upon the said demised mines and minerals other than the surface lands described in the second part of the First Schedule hereto AND the Company will at all times during the said term compensate all such owners tenants occupiers and persons as aforesaid for any injury or damage which may be caused to them by the workings on the part of the Company of the said demised mines and minerals and will at all times keep the Government fully indemnified against all claims demands actions and proceedings by any of such owners tenants occupiers and persons as aforesaid in respect of any such injury or damage.

10. The Company shall have liberty to search for sink drive free from water ventilate and work the mines and to search for win get convert manufacture carry away sell and dispose of the minerals and mineral and other substances hereby demised AND for all or any of the purposes aforesaid the Company shall have liberty in upon or under any part of the demised premises and either permanently or temporarily to sink erect make maintain and use any pits shafts inclines adits and other openings spoil banks engine-houses storehouses workshops forges dwelling-houses or other buildings coke ovens charcoal works stoves kilns compressed fuel works and in upon or under any of the demised premises and upon any adjoining or neighbouring ~~lands~~ ^{any roads} any roads bridges railways sidings and junctions (but as to railways sidings and junctions not so as to conflict with the rights of the Government's Guaranteed State Railway Company or any other Railway Company) tramways telegraphs reservoirs water-courses fences drains cuts canal aqueducts basins wharves cuttings embankments towing paths and in upon or under any of the demised premises any engines and other machinery plant and appliances and to deposit bank make into coke burn convert and manufacture the produce of the said mines and minerals

hereby demised and to construct make maintain and do all other works and things which may be necessary or expedient and to use (without paying any royalty therefor) as materials for any buildings railways tramways or other works hereby authorised to be erected or constructed by the Company in connection with the said mines any stone lime slate brick earth clay gravel sand or other materials or substances which shall be gotten or won by the Company in the course of sinking searching boring or otherwise exploring or excavating for the mines and minerals hereby demised AND the Company shall also have liberty for the purpose of searching for coal by means of boring to enter upon and use any adjoining or neighbouring lands which on the Seventh day of January One thousand eight hundred and eighty-six were or hereafter during the continuance of the term hereby granted shall be in the actual possession or under the immediate control of the Government without making or paying any compensation to the Government therefor AND also any adjoining or neighbouring lands which were not on the Seventh day of January One thousand eight hundred and eighty-six and shall not for the time being be in the actual possession or under the immediate control of the Government upon making such arrangements as to compensation and otherwise with the owners occupiers and tenants thereof as may from time to time be agreed upon by and between the Company and such owners occupiers and tenants respectively AND the Company shall have free ingress and egress so far and in such directions as may be necessary or convenient for the proper working of the said mines and minerals for all persons and things authorised by the Company in that behalf to and from the said mines and works with locomotive engines animals wagons trucks carts barges and boats or otherwise howsoever AND may also cut use or otherwise dispose of any trees timber and underwood growing or being on any part of the surface lands for the time being demised to the Company. The Company shall not make any payment in respect of any of the matters things or works by this clause authorised to be done or constructed other than the rents and royalties reserved by these presents PROVIDED ALWAYS that the Company shall not by or in the exercise of any of the rights and liberties aforesaid let down or cause to subside the surface of any land not for the time being actually demised to the Company other than land which was on the Seventh day of January One thousand eight hundred and eighty six or shall hereafter during the continuance of the

term hereby granted be in the actual possession or under the immediate control of the Government (any of which last-mentioned lands the Company may let down or cause to subside without making or paying compensation to the Government therefor) without making such arrangements as to compensation and otherwise with the owners occupiers and tenants for the time being of the lands so let down or caused to subside as may from time to time be agreed upon by and between the Company and such owners occupiers and tenants respectively AND PROVIDED ALWAYS FURTHER that the Company shall not save as hereinbefore expressly mentioned exercise all or any of the rights and liberties in this clause mentioned other than the right of ingress and egress aforesaid over the surface of any lands other than those which are described in the second part of the First Schedule hereto and secondly hereinbefore expressed to be hereby demised and those which may be hereafter acquired by and leased to the Company under the provisions hereinbefore contained.

11. The Company shall have liberty in or upon the surface of all or any of the demised premises to drive make erect maintain and use any levels drifts tunnels airways inclined planes railways tramways roads drains steam engines pumps and underground works whatsoever which the Company shall consider necessary or convenient and may use all underground springs and streams of water in such manner and for such purposes as they may think fit.

12. The Company shall be at liberty with the consent of the Government to use all springs rivers and rivulets in and throughout the territories of and belonging to the Government and to abstract therefrom by means of pipes conduits or watercourses any water which the Company may consider necessary or expedient either for the supply and sanitary needs of the persons employed by them in connection with the mines hereby demised or for working any engines machinery or plant used in connection with or for the purposes of the Company's mining or other operations PROVIDED ALWAYS that the Company shall not except as aforesaid divert or alter the natural channel and course of any such river or rivulet or throw any spoil rubbish or refuse into any such spring river or rivulet.

13. The Company shall be at liberty with the consent of the Government to use all ways watercourses rivers and rivulets in and throughout the territories of and belonging

to the Government for the purpose of their mining operations either for carrying stores and materials to or for carrying minerals produce and materials away from the demised premises.

14. The Company shall during the subsistence of the term hereby granted keep and maintain in good repair all roads which shall be made and constructed and for the time being in use by them under the liberties and powers here inbefore given to the Company AND shall at the expiration or sooner determination of the said term break up clear and in the case of agricultural land restore fit for agricultural purposes the sites of any such roads and any such railways sidings or tramways which shall have been so made or constructed as aforesaid as the Government shall not by notice in writing to be delivered to the Company within three calendar months of such expiration or sooner determination require to be left PROVIDED ALWAYS that upon any transfer or surrender under Clause 17 or Clause 43 hereof the Company may in lieu of any further obligation under this clause to repair the same break up clear and in the case of agricultural land restore fit for agricultural purposes the sites of any such roads railways sidings or tramways as aforesaid which by reason of such transfer or surrender shall have become useless or unnecessary to the Company and which the Government shall not by notice in writing to be delivered to the Company within three calendar months from such transfer or surrender require to be left And thereupon all further liability to repair such roads shall cease and determine.

15. The rents and royalties due or payable to the Government for or in respect of all coal and other substances which have been raised and won by the Company from the mines hereby demised since the commencement of the term hereby granted down to and including the Thirty-first day of December One thousand eight hundred and ninety-two shall be taken to be the sum of One hundred and seven thousand two hundred and sixty Halli Sicca rupees. And upon the execution of these presents the Company shall in respect thereof pay to the Government so much of the said sum of One hundred and seven thousand two hundred and sixty Halli Sicca rupees as has not been previously paid or accounted for And such sum when so paid as aforesaid shall be accepted by the Government in full discharge of all rents and royalties so due or payable to the Government as aforesaid.

16. There are hereby reserved to the Government during the said term hereby granted by way of rent for all the premises hereby demised and hereafter to be demised under the provisions hereinbefore contained the royalties specified in the Second Schedule hereto calculated and payable as from the date and at the times and in the manner therein expressed and except as hereinafter by Clause 18 provided no further rent or royalty shall be payable by the Company to the Government in respect of any of the premises hereby demised or hereafter to be demised as aforesaid.

17. The Company shall if threatened with loss by the coal obtained from the mines hereby demised being unsaleable or saleable only at a loss be at liberty by giving to the Government twelve calendar months' notice in writing expiring on any First day of January of their intention so to do to transfer and surrender to the Government such part of the said demised mines and minerals as they are unable to work profitably.

18. The Company will in every year on or before the day or days for the time being fixed by the Government for payment thereof during the term hereby granted pay to the Government in respect of all surface lands described in the second part of the First Schedule hereto and also in respect of all premises which may under the provisions hereinbefore contained be acquired by and demised to the Company except such parts thereof respectively as shall for the time being have been surrendered the rate of land assessment usually payable for the time being to the Government in respect of similar lands situate in the dominions of the Government.

19. The Company will during the said term pay to the Government the royalties specified in the Second Schedule hereto on the days therein prescribed for payment thereof.

20. If the Company shall not in any year during the term hereby granted after and commencing with the First day of January One thousand eight hundred and ninety-three work get and win such a quantity of the coal hereby demised as according to the royalties specified in the Second Schedule hereto will produce a clear yearly sum of Thirty thousand Halli Sicca rupees (hereinafter called "the minimum rent") the Company will on the First day of March in every year pay to the Government such a sum as together with the royalties payable in accordance with the terms of the Second

Schedule hereto will amount to the minimum rent in the same manner as if a quantity of coal sufficient according to the said royalties to produce that sum had been actually worked got and won PROVIDED ALWAYS that if in any year of the said term the Company shall not have actually worked got and won such a quantity of coal as according to the said royalties would produce for that year the minimum rent then the Company may as often as any such deficiency shall happen take credit as against any royalties payable by them in any one or more of the ten next succeeding years of the said term after every such deficiency for all sums so paid by them to make up any such deficiency but not so as to make the royalty actually paid by them in any one year fall below the minimum rent PROVIDED ALWAYS FURTHER that if the Company shall make any such transfer and surrender as mentioned in Clause 17 hereof or shall under the provisions of Clause 43 hereof surrender any part or parts of the said demised mines the minimum rent shall (if it shall be so decided under the Arbitration Clause hereinafter contained) be reduced and the amount of such reduction (if any) shall in case of difference be determined by arbitration under the Arbitration Clause hereinafter contained.

21. The Company will maintain in good order and repair to the satisfaction of the Government all buildings-plant machinery and works erected constructed or used by the Company during the subsistence of the said term (if and so long as the same are serviceable for the purposes of the undertaking) except such buildings plant machinery and works as shall have been erected constructed or used exclusively for the purposes of or in connection with any part of the mines hereby demised which shall have been worked out or become incapable of being worked at a profit or which shall have been transferred and surrendered under the provisions of Clause 17 hereof or shall have been surrendered under the provisions of Clause 43 hereof PROVIDED ALWAYS that the provisions of this clause shall be subject and without prejudice to the rights conferred upon the Company by Clause 38 hereof.

22. The Company shall not at any time during the subsistence of the said term keep any armed retainers. If any further or other protection than is afforded by the special police to be provided and maintained as in Clause 39 hereof mentioned shall at any time be required by the Company the Government shall forthwith upon application being

made by or on behalf of the Company supply at the cost of the Government all such further and other protection as may be necessary.

23. Neither the Company nor any of its servants other than natives of India shall have and such servants being natives of India shall not by the permission or sufferance of the Company have during the subsistence of the said term any monetary transactions with the Government or with the nobles jagirdars jemadars zamindars or with any of the officials of the Hyderabad State other than and except such monetary transactions as are provided for by or are incidental to these presents or the sale of the coal or other produce obtained under or by virtue of these presents.

24. The Company shall not assign underlet or part with the possession of the demised premises or any part thereof without the consent in writing of the Government for that purpose first had and obtained which consent the Government hereby agrees shall not be withheld unless the proposed assignee or lessee be not considered sufficiently solvent.

25. The Company will hereafter during the subsistence of the term hereby granted in the best and most effectual manner and to the utmost and on the most approved principles and with due provision for drainage and ventilation of mines and for the security of life and the maintenance of the value of the property and without intermission except when prevented by insuperable accident work win get and raise all the mines minerals and substances hereby demised (except such as shall not be capable of being profitably worked) so far as is consistent with the provisions of Clause 27 hereof And will at all times during the said term fairly and diligently use their best endeavours to work win get and raise the same and to sell and dispose of the same to the best advantage of both parties.

26. The Company shall not commit within the mines hereby demised any wilful act whereby the mines hereby demised or any other mines or minerals lying and being under the mines hereby demised and reserved to the Government may during the subsistence of this lease be rendered unworkable by water or foul air or whereby the working of such mines or minerals may be prevented,

27. The Company shall not permit or suffer any subterraneous or other excavations except roads and ways properly supported to be made under any dwelling-house or

building erected before the date of these presents which shall not for the time being be in the possession or occupation of the Company or within such distance from any such dwelling-house or building as shall in each case and from time to time be fixed by the Government mining engineer for the time being or any works or operations whatever which shall be reasonably calculated or likely to structurally damage any such dwelling-house or building PROVIDED ALWAYS that this Clause shall not apply to cases where the Company shall be ready and willing to take such dwelling-house or building at a fair valuation to be determined if necessary by valuation under the Arbitration Clause hereinafter contained.

28. The Company shall not without the previous consent in writing of the Government for the purpose first aforesaid and obtained remove or suffer to be removed from the premises for the time being in the possession of the Company or any part thereof any minerals or other substances raised or gotten from the mines hereby demised for any purpose of sale or otherwise or use or convert for any purpose or consume any such minerals or other substances until the particulars thereof have been duly entered and recorded in the Company's books for the purpose of ascertaining the amount of the royalties payable in respect of such minerals and other substances.

29. The Company will at its own expense during the said term erect and continue at the place or each of the places where any coal minerals or other substances to be gotten during the said term out of the mines hereby demised shall be raised or brought to the surface one or more machine-house or houses and keep the same in good repair and set up and continue a weighing machine or machines with proper standard weights of His Highness's State or such other weights as may be necessary or convenient in the machine-house or houses so to be erected AND will at all reasonable times permit any officers and workmen appointed by the Government in that behalf to have free access to such machine or machines and weights and make use of prove and regulate the same AND will keep the same in good repair and at the like expense provide proper persons to superintend the same AND will cause all the coal minerals and other substances which shall be gotten from the demised premises (whether the same shall be taken away and sold or disposed of or otherwise used or

consumed) to be duly weighed AND will cause the weights of all such coal minerals and other substances distinguishing each of the same and the different classes and qualities of each to be from time to time entered in proper books of account to be provided for that purpose by the Company and to be kept at the office where such coal minerals and other substances shall be raised or brought to the surface and will not remove consume or dispose of any coal minerals and other substances until so weighed and entered AND will permit any persons from time to time appointed in that behalf by the Government at all reasonable times to have free access to the said machine-house or machine-houses and office and to inspect cast up and examine the said books entries and accounts and take extracts or copies of the same AND will permit any person from time to time appointed in that behalf by the Government to be present when the said coal minerals and other substances shall be weighed and also from time to time as often as such persons shall think proper to weigh and take account of all such coal minerals and other substances and for that purpose to have the use of the said machines and also the help and assistance of any of the servants or workmen there employed and the use of the horses wagons trucks carts and other carriages ropes tackle and other implements and other machinery employed in and about any of the Company's premises without making any compensation for the same but not unreasonably hindering the servants or workmen of the Company.

30. The Company will on the last day of every third calendar month during the continuance of the said term settle and make up full true and particular accounts of all coal minerals and other substances gotten and raised from the mines hereby demised and of all sales thereof respectively with dates names weights prices and all such particulars as the Government shall from time to time require.

31. All accounts necessary for ascertaining the rents and royalties payable hereunder shall be kept in such a form as the Government shall from time to time prescribe and in local currency and all local accounts shall be kept in local currency and a true statement of all such accounts shall be submitted yearly by the Company to the Government.

32. In case any of the following classes of minerals and substances shall be raised and gotten from the premises first hereinbefore expressed to be hereby demised the Company shall keep or cause to be kept separate accounts in respect of each of them that is to say—(A) gold and silver

(B) iron ore and stone (of which each separate quality is to be in a separate class as if separately here specified) (C) precious stones (D) mineral oils (E) alum (F) pottery earth (G) fire-clay (H) limestone (I) all other clays metals minerals and mineral substances intermixed with and usually and properly worked with the said mines bed seams veins and deposits of coal hereby demised (each to be separately classified).

33. The Company will at all times during the said term keep and will on the First day of March in each year of the said term if required deliver to the Government true and correct plans and sections made and corrected up to the end of the last preceding year of the mines hereby demised and of all the workings thereof and of all seams veins or lodes which shall have been discovered therein upon which plans and sections the extent position and actual condition of the Company's works shall be actually set forth and delineated. Such sections shall be made to the scale of twenty feet to an inch and the plan of the workings to the scale of One hundred feet to an inch and such sections and plan shall be kept at the counting-house of the Company on the demised premises.

34. All such plans and sections as in the last preceding clause mentioned and all books accounts documents vouchers and papers relating to any operations under this lease so far as the Government are interested therein respectively under these presents and also all the mines and works of the Company shall at all reasonable times be open to the inspection of any person or persons duly authorised from time to time in that behalf by the Government but not exceeding a reasonable number of persons at any one time and free access and all reasonable facilities for inspecting and taking copies of or extracts from such plans sections books accounts documents vouchers and papers and for inspecting measuring and testing such mines and works and all information in connection therewith which shall be required by such person or persons shall be afforded to such person or persons by the Company their agents servants and workmen PROVIDED ALWAYS that the exercise of all or any of the rights by this clause given to the Government shall be conducted at reasonable hours in the daytime and in such a manner as shall not interfere more than is reasonably necessary with the operations and works of the Company.

35. The accounts so far as the Government are interested therein under these presents may be audited half-yearly by any duly authorised agent or agents for the time being of the Government and such agent or agents shall for that purpose have power to call for all such books accounts documents vouchers plans and sections as he or they may *bonâ-fide* think necessary for the verification or elucidation of such accounts.

36. The Company will from time to time and at all times during the term hereby granted properly and securely fence off and keep fenced off from the adjoining lands by means of a substantial post and rail fence at least four feet in height or some other fence sufficient to protect the public or their cattle sheep or other animals from straying into the same all pits shafts machinery railway sidings tramways and other works used by the Company in connection with the said demised mines AND will within six calendar months next after any pit or shaft shall have been permanently disused cover the same with a good and substantial arch of brickwork or masonry to the satisfaction of the Government or their mining engineer AND will within six calendar months next after the First day of January in every year either fill up stop and level such parts of the surface lands for the time being in the possession or occupation of the Company as shall no longer be required by the Company (except such parts thereof as the Government may by notice in writing require not to be filled up stopped or levelled) or make due compensation to all persons other than the Government affected by the failure or omission of the Company to fill up stop or level the same AND will cause the whole of the surface lands which may at any time during the said term have been used or occupied by the Company to be filled up stopped or levelled within six calendar months next after the end or sooner determination of the said term (except such parts of the said lands as the Government may by notice in writing delivered prior to such end or sooner determination require not to be filled up stopped or levelled) AND will within the same six calendar months either reinstate and restore such part of the lands so to be filled up stopped or levelled as were prior to the Company's user or occupation of the same cultivated or used for pasture to a state fit for cultivation or pasture respectively or make due compensation to all persons other than the Government affected by the failure or omission of the Company so to reinstate and restore the same.

37. At the expiration or sooner determination of the term hereby granted the Company will deliver up to the Government all the demised premises and all premises which may hereafter be demised to the Company under the provisions hereinbefore contained together with all erections and buildings then standing and being thereon or on any part thereof and all fixed machinery and fixtures (except such as are hereinafter authorised to be removed or disposed of by the Company) in good and substantial repair and working order and in all respects in such state and condition as shall be consistent with the due performance and observance of the covenants herein contained (except so far as shall be otherwise agreed upon between the Company and the Government) and as shall be consistent with all agreements between the Company and the Government.

38. The Company shall not during the last year of the said term or at or after the expiration or sooner determination thereof without the license in writing of the Government for that purpose first had and obtained take down or remove any buildings or erections fixed machinery or fixtures standing or being on any part of the demised premises or any premises which may hereafter be demised to the Company under the provisions hereinbefore contained And shall not during any part of the said term without such license as aforesaid take down or remove any such buildings erections fixed machinery or fixtures as aforesaid unless and except so far as the same shall have ceased to be serviceable for the purposes of the undertaking or except for the purpose of replacing the same respectively by other buildings erections fixed machinery or fixtures of equal or superior utility PROVIDED ALWAYS that it shall be lawful for the Company at or within six calendar months after the expiration or sooner determination of the said term or after any transfer and surrender of part of the said premises under Clauses 17 or 43 hereof to sell by auction or private contract and either on or off the said premises and to remove all engines machinery rails sleepers ropes plant and materials belonging to the Company and used in or about the said premises or the part of the said premises so transferred and surrendered respectively the Company first offering to the Government the option (which if not accepted by the Government within three calendar months after being offered shall be deemed to have been refused) of purchasing all or any part of the said engines machinery rails sleepers ropes plant and materials as the same shall stand

and be in upon and about the said premises at such a price as shall be agreed upon between the Company and the Government and in default of such agreement at such a price as shall be fixed by arbitrators under the Arbitration Clause hereinafter contained AND the Company shall not remove or sell to any other person any of the said engines machinery rails sleepers ropes plant and materials which the Government shall desire to buy at such price as aforesaid unless the Government shall fail to complete the purchases of the same within six calendar months after such option shall have been offered to them.

39. A special police shall if required by the Company be appointed by the Government to enforce order between the servants of the Company while engaged in any operations connected with this lease and the subjects of the Government and the cost of such police force shall be borne in the following proportions—that is to say three-tenths by the Government and seven-tenths by the Company. Such police force shall be placed and shall at all times be and remain under the orders of an officer of the Government of India to be from time to time appointed by the British Resident at Hyderabad so long as the Government of India shall assent to such arrangement.

40. All machinery plant utensils and other stores and supplies required for mining purposes ordered or required by the Company for the purpose of executing any works either temporary or permanent or carrying on the works and operations incident to or in connection with this lease shall be admitted into and carried through the territories of the Government free of all fiscal charges and duties whatever for the time being payable either to the Government or to any local authorities or other persons claiming under the Government by virtue of any title accrued subsequently to the Seventh day of January One thousand eight hundred and eighty-six AND all coal minerals and other substances shall be carried through and exported out of the same territories free of all such fiscal charges and duties And if at any time hereafter any such fiscal charges or duties as aforesaid are imposed upon the carriage import or export of any of the articles or things aforesaid the rents and royalties by these presents reserved shall be accepted by the Government in satisfaction and discharge of all such charges and duties IT BEING THE TRUE INTENT AND MEANING of these presents that the rents and royalties hereby reserv-

ed shall be in full satisfaction and discharge of all fiscal charges and duties now or hereafter chargeable or imposed under the Law of the dominions of the Government for the time being in force on or in respect of all or any part of the mines minerals and other substances hereby demised and raised or gotten from the demised premises or any part thereof or on the Company in respect thereof except the rate of land assessment usually payable in respect of similar lands in the dominions of the Government.

41. If at any time hereafter during the continuance of the term hereby granted the rates charged by any State Railway guaranteed by the Government for the freight of any such minerals or mineral substances as are hereby demised whether in their raw state or manufactured shall by agreement between the Government and such Railway be raised or altered so as to exceed the rates at the date of these presents charged by the Great Indian Peninsular Railway for similar freight then and so often as the same shall happen it shall be lawful for the Company to refer under the Arbitration Clause hereinafter contained the question whether any and if any what modification diminution or alteration ought to be made in the royalties hereby reserved by reason of such raising or alteration of the rates as aforesaid.

42. It shall be lawful for the Company to surrender this lease at any time upon giving to the Government twelve calendar months' notice in writing of their intention so to do (such notice to expire on any First day of January) And at the expiration of such notice and provided the Company shall upon such expiration pay all rent royalties and other moneys which may be then due and payable under these presents to the Government this present lease and the liberties licences and powers hereby granted (subject nevertheless to the rights of the Company under Clause 38 hereof) and all future liability of the Company shall cease and determine but without prejudice to any right of action or remedy which shall have accrued to the Government in respect of any breach of any of the covenants or provisions herein contained.

43. If the Company shall discontinue or at any time hereafter shall neglect or omit or permit or suffer to be neglected or omitted the working of any of the mines hereby demised which shall have been opened or worked by the Company but shall not be desirous or willing to surrender

this lease under the provisions of the last preceding clause it shall be lawful for the Company at any time upon giving to the Government twelve calendar months' notice in writing of their intention so to do to surrender any part of the demised premises or the premises which may hereafter be demised under the provisions hereinbefore contained without the remainder of the said premises but so that any such surrender shall include so much of the surface lands hereby or hereafter to be demised as shall not be necessary or expedient for the working of the part of the demised mines retained by the Company AND upon the expiration of such notice and provided the Company shall upon such expiration pay all rents royalties and other moneys which may then be due and payable under these presents to the Government this present lease and the liberties licenses and powers hereby granted (subject nevertheless to the rights of the Company under Clause 38 hereof) and all future liability of the Company shall cease and determine so far as regards the part of the said premises so surrendered but without prejudice to any right of action or remedy which shall have accrued to the Government in respect of any breach of the covenants and provisions as to the part so surrendered and also without prejudice to the covenants and provisions herein contained and to the rights and liabilities of the Company and the Government respectively hereunder in respect of all such parts of the said premises as shall not have been surrendered And the Company shall thereupon grant to the Government all such powers easements and rights as may be necessary or expedient for efficiently and conveniently working and developing the premises so surrendered and consistent with the efficient and convenient working and development by the Company of the premises not surrendered.

44. If and whenever the following railways now contemplated or in course of construction are completely constructed and in operation and capable of transporting mineral traffic to the necessary extent that is to say—(1) a railway from Hyderabad to Warangal (2) a continuation of the same railway from Warangal to the southern frontier of the State of Hyderabad at or near Bezwada (3) a continuation of the first-named railway from Warangal to the northern frontier of the said State at or near Chanda—the Company shall at any time during the subsistence of the term hereby granted when called upon by the Government by notice in writing enter into an agreement with the owners

or owner for the time being of the said railways whereby in consideration of such owners or owner agreeing to carry and transport over the said railways any coal minerals and other substances raised and gotten by the Company from the said demised mines and all other mines and workings for the time being worked by the Company throughout the territories of the Government at rates thirty per cent below the rates for the time being charged on such railways for the carriage and transport of other similar traffic the Company will agree to supply to such owners or owner for the purposes of the said railways so much coal as shall be *bonâ-fide* required therefor at such price per ton not being less than thirty per cent below the price per ton for the time being charged by the Company for similar coal to the ordinary public as shall be agreed upon between the Company and such owners or owner AND further that the Company will so long as proper and reasonable facilities shall be afforded by such owners or owner for the carriage and transport of all such coal minerals and other substances as aforesaid and so long as the said demised mines and other mines and workings aforesaid shall produce to the Company sufficient coal minerals and other substances for this purpose supply such owners or owner with mineral traffic sufficient at the rates so to be charged as aforesaid to produce Forty-five thousand pounds per annum.

45. PROVIDED ALWAYS and these presents are upon this express condition that if and whenever any part of the rent royalties or assessment hereinbefore reserved or made payable shall be in arrear for three calendar months whether the same shall have been legally demanded or not or if and whenever the Company shall discontinue working for any twelve consecutive calendar months any of the demised mines upon which active mining operations and works shall at any time have been commenced by the Company and which shall not before the expiration of such period of twelve months as aforesaid from the discontinuance of working the same have been transferred or surrendered under the powers hereinbefore contained or if the Company shall be wound up or cease to exist or if and whenever there shall be a breach or non-observance of any of the covenants and conditions on the part of the Company herein contained and the Company shall fail to make pecuniary compensation to the satisfaction of the Government for such breach or non-observance it shall be lawful for the Government to re-enter upon any part of the demised premises in the name

of the whole and thereupon the term hereby granted shall absolutely cease and determine without prejudice nevertheless to the recovery of such of the rents royalties and assessments hereby reserved and made payable as shall then be due or owing and without prejudice to any right of action or remedy which shall have accrued to the Government in respect of the breach or non-observance of any of such covenants and conditions as aforesaid AND such right of re-entry may be exercised by the Government notwithstanding the waiver by the Government of any prior forfeiture or forfeitures.

46. The Company paying the rent royalties and assessments hereby reserved and made payable at the times and in the manner hereinbefore appointed for payment thereof respectively and performing and observing all the covenants and conditions on the part of the Company herein contained may peaceably and quietly hold use occupy and enjoy the demised premises subject as hereinbefore expressed during the said term hereby granted without any interruption or disturbance by the Government or any person lawfully claiming any estate in the demised premises or any part thereof through or under the Government.

47. If the Company shall with the previous consent of the Government for that purpose first had and obtained assign the demised premises or any part thereof and shall at the Company's expense procure the assignee or assignees to execute and deliver to the Government a deed or deeds of covenant binding the assignee or assignees to perform and observe all the covenants and obligations and conditions on the part of the Company herein contained (or in the case of an assignment of part only of the said premises so far as such covenants obligations and conditions relate to such part) on the terms and conditions herein contained then the Company shall be discharged from all further liability to the Government under these presents or in the case of an assignment of part only of the demised premises from all liabilities in respect of the part so assigned AND such liabilities may be apportioned as may be agreed upon between the Company and the Government or in default of such agreement as may be determined by Arbitration under the Arbitration Clause hereinafter contained and the subsequent winding up of the Company or its ceasing to exist shall not give the Government any right of re-entry under Clause 45 hereof upon the demised premises or in the

case of an assignment or assignments of part only of the said premises having been made upon the part or parts included in such assignment or assignments.

48. All notices to be given under or with reference to these presents or anything done or to be done thereunder shall be in writing and on the part of the Government shall be under the hand of one of the secretaries or other proper officer of the Government and shall be addressed and delivered to the Company's principal representative for the time being in the Government's territories or shall be left so addressed at the principal counting-house of the Company on the demised premises and on the part of the Company shall be under the hand of such principal representative and shall be addressed and delivered to or left at the office of one of such secretaries or other proper officer.

49. If any dispute question difference or controversy shall arise between the Government and the Company concerning these presents or any clause or thing herein contained or the construction thereof or the amount of compensation to be paid thereunder or any matter or thing to be done thereunder or in any way connected with these presents or the operation thereof or the rights duties or liabilities of either party under or in connection with these presents or in relation to any matter hereinbefore referred to arbitration under this clause then and in every or any such case or dispute the matter in difference shall be referred to a Board of Arbitration one member of which shall be appointed by the Government and the other by the Company AND the duty of the said Board shall be to inquire into and equitably adjust and determine the same and if the Board shall be unable to do so by reason of difference of opinion among the members thereof or for any other reason the matter in difference shall stand referred to an Umpire to be appointed by the mutual consent of the said Board in each case before they proceed to Arbitration or in case the Board shall not within six weeks after the dispute or difference shall have been referred to them have appointed the said Umpire the appointment of an Umpire may be made upon the application of either party by Her Majesty's Secretary of State for India and the decision of such Board or in the event of their not arriving at a decision as aforesaid the decision of such Umpire shall be final and binding upon both parties and no appeal shall lie therefrom AND upon every such reference the Board of Arbitration and Umpire shall respectively have power to examine witnesses upon oath or

Dated 12th October 1901.

THE GOVERNMENT OF HIS HIGHNESS
THE NIZAM

WITH

THE HYDERABAD (DECCAN) COMPANY
LIMITED.

DEED.

For modifying the Royalties payable under
the Lease of the Singareni Coal-field
dated 12th September, 1893.

CLEMENTS WILLIAMS & Co.,
17, GRESHAM, E. C.

KING AND JOSSELYN,

Madras.

This INDENTURE made the Twelfth day of October, one thousand nine hundred and four, BETWEEN HIS EXCELLENCY RAJAI RAJAYAN, MAHARAJA SIR KISHUN PERSHAD BAHADUR, K.O.I.E., YAMINUS SALTANAT, PRIME MINISTER TO HIS HIGHNESS THE NIZAM, acting for and on behalf of the Government of His Highness the Nizam, hereinafter called "the Government," (which expression shall include the Nizam and his Successors and the Government for the time being of the Nizam and his Successors), of the one part and THE HYDERABAD (DECCAN) COMPANY LIMITED, hereinafter called "the Company" (which expression shall include the Company, its Successors and licensed assigns), of the other part. WHEREAS these presents are supplemental and intended to be read as an annex to an indenture dated the twelfth day of September, one thousand eight hundred and ninety-three, and expressed to be made between the Government of the one part and the Company of the other part. AND WHEREAS it has been found desirable to modify as from the first day of January, one thousand nine hundred and four, the royalties reserved by or payable under the said Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, in manner and to the extent hereinafter appearing. NOW THIS INDENTURE WITNESSETH that it is hereby mutually agreed and declared between and by the said parties hereto as follows, namely :—

- (1) As from the first day of January, one thousand nine hundred and four, the royalties specified in the Schedule hereto shall be substituted for the royalties specified in the Second Schedule to the said Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, as the royalties reserved or payable to the Government during the term granted by that Indenture by way of rent for all the premises demised or to be demised by the Government under the provisions of that Indenture, and (except as provided by Clause eighteen of that Indenture) no further rent or royalty shall be payable by the Company to the Government in respect of any of the premises demised by that Indenture or thereafter demised, or to be demised by the Government as aforesaid.
- (2) The said Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, shall hereafter be read and have effect throughout as if as from the first day of January, one thousand nine hundred and four, the royalties specified in the Schedule hereto had been reserved by and made payable under the same

Indenture in lieu of the royalties specified in the Second Schedule thereto.

- (3). Subject to the modifications herein expressed, all the terms of the said Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, shall remain in full force and effect.

IN WITNESS whereof the said RAJAI RAJAYAN MAHA-RAJA SIR KISHUN PERSHAD BAHADUR, K. C. I. E., YAMINUS SALTANAT, acting on behalf of the Government of His Highness the Nizam hath hereunto affixed the Seal of State of His Highness' Government, and the Company hath hereunto set its Common Seal the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO.

There shall be paid by the Company to the Government on the first day of March, one thousand nine hundred and five, and on every subsequent first day of March in every year during the term granted by the Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, and also on the first day of March next after the expiration or other sooner determination of the said term, royalties at the rates following (that is to say) :—

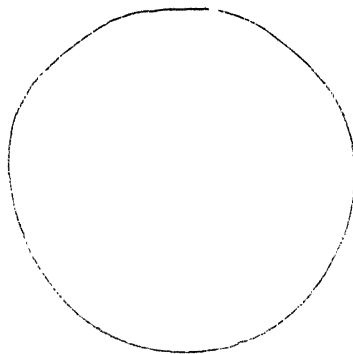
- (1) If the Company shall not in the then preceding year have won such a quantity of coal by the said Indenture of the twelfth day of September, one thousand eight hundred and ninety-three, demised as according to the royalties in the next following Clause of this Schedule specified, will produce a clear yearly sum of thirty thousand Halli Sicca Rupees, the Company shall pay to the Government such a sum as, together with the said last mentioned royalties actually payable, will amount to the said sum of thirty thousand Halli Sicca Rupees.
- (2) The Company shall pay to the Government a royalty on ninety per cent of all the coal won from the said demised Mines during the then preceding year (whether the same shall or shall not have been actually sold) at the rate of two annas Halli Sicca currency per ton, whatever may have been the sales made by the Company of coal won from the said demised Mines, and actually sold or disposed of by the Company and whatever may have been the selling price of coal.
- (3) In respect of all mineral and other substances demised by the said Indenture of the twelfth day of September, one thousand eight hundred and ninety three, other than coal, the Company shall, on the first day of March,

one thousand nine hundred and five and on every subsequent first day of March in every year during the said term, and also on the first day of March next after the expiration or other sooner determination of the said term, pay to the Government one fifteenth part of the net proceeds of any and all sales made by the Company during the then preceding year of all such mineral and other substances.

- (4) In this Schedule "Ton" means "British Ton," "won" means "raised to the surface," and "the then preceding year" means "the year ending on the then last preceding thirty first day of December for the time being."

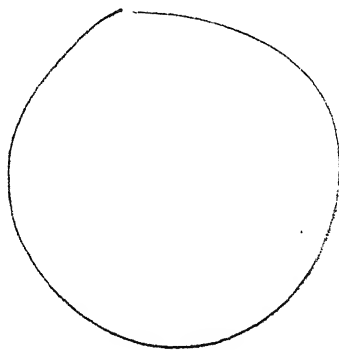
(Sd.) KISHUN PERSHAD,
YAMINUS SALTANAT.

The Seal of State of the Government of His Highness the Nizam was hereunto affixed by Rajai Rajayan, Maharaja Sir Kishun Pershad Bahadur, K. C. I. E., Yaminus Saltanat, Prime Minister to His Highness the Nizam, in the presence of



(Sd.) FARIDUNJI JAMSHEDJI,
Private Secretary
(Sd.) SARBULAND JUNG,
M. HAMEED-ULLAH,
Home Secretary.

The Common Seal of the Hyderabad (Deccan) Company Limited, was hereunto affixed, in the presence of



(Sd.) G. P. ROSE,
Director.
(Sd.) L. C. CROSLEGH,
Secretary.

THE GOVERNMENT OF H. H. THE NIZAM
TO

The Hyderabad (Deccan) Company, Limited.

LEASE OF THE RAICHORE DOAB GOLD FIELD.

THIS INDENTURE, made the tenth day of December, One thousand eight hundred and ninety-four, BETWEEN NAWAB SECUNDER JUNG IKBAL-UD-DAULA, IKTIDAR-UL-MULK, VIKAR-UL-UMARA BAHADUR, Prime Minister to His Highness the Nizam, acting on behalf of THE GOVERNMENT OF HIS HIGHNESS THE NIZAM, hereinafter called "the Government," (which expression shall include the Nizam and his successors, and the Government for the time being of the Nizam and his successors,) of the one part, and THE HYDERABAD (DECCAN) COMPANY LIMITED, hereinafter called "the Company", (which expression shall include the Company, its successors and licensed assigns,) of the other part; WITNESSETH as follows:—

1. In consideration of the rents and royalties hereinafter reserved, and of the covenants by the Company hereinafter contained, THE GOVERNMENT DO hereby demise and grant unto THE COMPANY:—FIRST. ALL AND SINGULAR the mines, beds, seams, veins and deposits of Gold, Silver, and all other minerals or valuable substances comprised in and under the lands forming part of the Raichur Gold field as the same are more particularly described in the first part of the First Schedule hereto; AND SECONDLY, ALL AND SINGULAR the surface lands described in the second part of the First Schedule hereto; all which premises hereinbefore expressed to be hereby demised are hereinafter referred to as the demised premises: TO HOLD the demised premises Firstly and Secondly hereinbefore described unto the Company for the term of ninety-nine years from the First day of January One thousand eight hundred and eighty-six, and subject to the terms and conditions hereinafter expressed.

2. The granting of this Lease of the mines and other things in and under the lands described in the first part of the First Schedule hereto shall be without prejudice to the right of the Company to apply for a separate Lease or Leases of the mines, beds, seams, veins and deposits of gold, silver and all other minerals or valuable substances comprised in and under the lands situate in Koopal, being the Jagir of the late Sir Salar Jung, which are referred to in the application of the Chairman of the Company on behalf of the Company to the Government, dated 4th December, 1891, and in and under the land situate in the Jagir of the Raja of Gudwal, referred to in the same application, and in and under the lands situate in the Yadgerry Taluka of the Paigah, that is to say, on the North-East Bank of the Beemah River, which are referred to in the application made by Mr. H. C. Burder on behalf of the Company to the Government, dated the 2nd December, 1891, which lands are omitted at the request of the Government from those described in the said first part of the First Schedule hereto. And it is hereby agreed that the Lease or Leases of such omitted lands or any of them, if and when granted, shall

3. If, at any time during the continuance of the term hereby granted, the development and working of the mines and minerals hereby demised shall, in the opinion of the Company, render it necessary or expedient that the Company should acquire any other surface lands, in addition to those described in the second part of the First Schedule and hereinbefore expressed to be hereby demised, for spoil banks for depositing the output from the mines hereby demised, or for constructing buildings, roads, railways, tramways, waterways, tanks, reservoirs, shafts, inclines, or other works necessary for or properly incident to the better development and working or treating of the said demised mines and minerals, or any houses, buildings or erections which would or might be injured by the subterraneous workings of the Company, the Company shall from time to time give notice to the Government of the quantity, position and boundaries of the land, houses, buildings and erections so required, and of the purposes for which the same are required.

4. Upon receipt of any such notice as last mentioned, (hereinafter called the notice,) the Government, as to any lands included in the notice, and which, in case of any dispute shall under Clause 7 hereof be held to be necessary or expedient as aforesaid, and being in the possession or under the actual and immediate control of the Government, and not for the time being used or required for any public purpose, shall forthwith give possession and grant a lease of the same to the Company, as from the date of the notice, for all the residue of the term hereby granted, upon the terms and conditions upon which the lands described in the second part of the First Schedule hereto are hereby demised; all the costs and expenses of and incident to every such lease shall be paid by the Company, but no fine or premium shall be payable to the Government in respect of such lease.

5. Upon receipt of the notice, the Government, as to any lands, houses buildings or erections included in the notice which are Jaghir property or are not in the possession or under the actual and immediate control of the Government, shall, (unless within two calendar months from the receipt of the notice the Government shall give to the Company a counter-notice, hereinafter called the counter-notice, that they deem it inexpedient, on grounds either of public or of private policy, that the Company should acquire such lands, houses, buildings or erections, or any part thereof,) forthwith, at the expense and cost of the Company, proceed to take all necessary and proper steps, and make all necessary arrangements, for the expropriation of all tenants and occupiers of, and all other persons claiming any right, title or interest to or in, such lands, houses, buildings and erections, with a view to giving, and shall give possession to the Company, as soon as possible, of so much of the lands, houses, buildings and erections included in the notice as shall not be included in the counter-notice, and shall, upon giving such possession to the Company, at the cost and expense of the Company, but without charging any fine or premium therefor, grant a lease of the same lands, houses, buildings and erections to the Company, as from the date of the notice, for all the residue then to come of the term hereby granted, upon the terms and conditions upon which the lands described in the second part of the First Schedule hereto are hereby demised.

6. The Company shall be liable for, and shall forthwith pay to the Government, all sums which the Government may be liable to pay, and shall actually pay.

7. If any dispute, question or difference shall at any time arise as to the quantity or position of the lands included in any such notice as aforesaid, or whether it is necessary or expedient that the Company should acquire such lands, houses, buildings and erections, or any part of them, or as to the purposes for which such lands are required, or otherwise as to the validity of and rights of the Company under the notice, or as to the validity of the counter-notice, or the grounds of inexpediency therein stated, or as to the amount of compensation to be paid by the Company under the last preceding clause hereof, such dispute, question or difference shall be settled by arbitration, under the Arbitration Clause hereinafter contained.

8. No part of the lands to be acquired by the Company, in pursuance of any such notice as in clause 3 hereof mentioned, shall be taken for any other purposes than those mentioned in that Clause, and the getting and carrying away the minerals and other substances hereby demised unless the Government shall in writing previously consent thereto. Provided always that, notwithstanding anything in these presents contained, no smelting or manufacturing operations shall be carried on upon the demised premises of any metals or metalliferous substances, except gold and gold ores, without the previous consent in writing of the Government, which consent shall not be unreasonably withheld.

9. The Government will forthwith evacuate and give vacant possession to the Company of all and every part of the lands secondly hereinbefore expressed to be hereby demised which are in the possession or under the immediate control of the Government, and also will forthwith take all necessary and proper steps and proceedings at the cost of the Company for the purpose of expropriating from every part of the said lands not in the possession or under the immediate control of the Government, all tenants and occupiers thereof, and all persons claiming any right or title thereto, and forthwith giving, and will, as soon as practicable, give vacant possession of all the said lands to the Company. The Company shall be liable for and shall forthwith pay to the Government all sums which the Government may be liable to pay, and shall actually pay by way of compensation for disturbance or otherwise in respect of such expropriation to such tenants, occupiers and persons as aforesaid. Provided always that the Company shall not be liable to pay to the Government any compensation in respect of any lands evacuated by the Government or any compensation which may be paid by the Government for disturbance or otherwise in respect of the expropriation from any of the said lands of any tenants or occupiers or other persons claiming under the Government by virtue of any grant, lease, agreement or other document, or otherwise howsoever since the Seventh day of January, One thousand eight hundred and eighty six, other than for the unexhausted value of any wells, tanks or irrigation works made by the actual occupiers of the lands for agricultural purposes.

10. Without prejudice to Clauses 6 and 9 hereof, the mines and minerals hereby demised are demised, and the rights and privileges of working the same hereby granted are granted, subject to the rights, estates and interests of all owners, tenants and occupiers of, and all persons claiming any right, title or interest to or in the surface lands over and upon the said demised mines and minerals other than the surface lands described in the second part of the First Schedule hereto, and the Company will, at all times during the said term, compensate all such owners, tenants, occupiers and persons as aforesaid, for any injury or damage which may be caused to them by the workings on the part of the Company of the said demised

ed mines and minerals, and will at all times keep the Government fully indemnified against all claims, demands, actions and proceedings by any of such owners, tenants, occupiers and persons as aforesaid in respect of any such injury or damage.

11. The Company shall have liberty to search for, sink, drive, free from water, ventilate and work the mines, and to search for, win, get, convert, manufacture, carry away, sell and dispose of the minerals and mineral and other substances hereby demised; and for all or any of the purposes aforesaid, the Company, (subject to the Proviso at the end of clause 8), shall have liberty in, upon, or under, any part of the demised premises, and either permanently or temporarily, to sink, erect, make, maintain and use any pits, shafts, inclines, adits, levels and other openings, spoil banks, engine houses, store houses, refineries, workshops, forges, dwelling houses, or other buildings, coke-ovens, charcoal works, stoves, kilns, crushing and amalgamating mills, washing houses, lixiviating and concentrating structures, refineries, calcining, assaying and other furnaces, compressed fuel works, and in, upon or under any of the demised premises and upon any adjoining or neighbouring lands, any roads, bridges, railways, sidings and junctions, (but, as to railways, sidings and junctions, not so as to conflict with the rights of H. H. the Nizam's Guaranteed State Railway Company, or any other Railway Company), tramways, telegraphs, telephones, electric cables and other power transmitting appliances, reservoirs, watercourses, fences, drains, cuts, canals, aqueducts, basins, wharves, cuttings, embankments, towing paths, and in, upon or under any of the demised premises, any engines and other machinery, plant and appliances, and to land, deposit, bank, make into coke, burn, extract, refine, convert, treat and manufacture the produce of the said mines and minerals hereby demised, and to construct, make, maintain and do all other works and things which may be necessary or expedient, and to use (without paying any royalty therefor), as materials for any buildings, railways, tramways, or other works hereby authorised to be erected or constructed by the Company in connection with the said mines, any stone, lime, slate, brick-earth, clay, gravel, sand, or other materials or substances which shall be gotten or won by the Company in the course of sinking, searching, boring, or otherwise exploring or excavating for the mines and minerals hereby demised. And the Company shall also have liberty for the purpose of searching for minerals by means of boring to enter upon and use any adjoining or neighbouring lands which on the Seventh day of January, One thousand eight hundred and eighty-six, were or hereafter during the continuance of the term hereby granted shall be in the actual possession or under the immediate control of the Government without making or paying any compensation to the Government therefor. And also any adjoining or neighbouring lands which were not on the Seventh day of January, One thousand eight hundred and eighty-six, and shall not for the time being be in the actual possession or under the immediate control of the Government upon making such arrangements as to compensation and otherwise with the owners, occupiers and tenants thereof as may from time to time be agreed upon by and between the Company and such owners, occupiers and tenants respectively. And the Company shall have free ingress and egress so far and in such directions as may be necessary or convenient for the proper working of the said mines and minerals, for all persons and things authorised by the Company in that behalf, to and from the said mines and works, with locomotive engines, animals, waggons, trucks, carts, barges and boats, or otherwise howsoever.

the Company. The Company shall not make any payment in respect of any of the matters, things or works by this clause authorised to be done or constructed other than the rents and royalties reserved by these presents. Provided always, that the Company shall not, by or in the exercise of any of the rights and liberties aforesaid, let down or cause to subside the surface of any land not for the time being actually demised to the Company, other than land which was on the Seventh day of January, One thousand eight-hundred and eighty-six, or shall hereafter during the continuance of the term hereby granted be, in the actual possession or under the immediate control of the Government, (any of which last mentioned lands the Company may let down or cause to subside without making or paying compensation to the Government therefor), without making such arrangements as to compensation and otherwise with the owners, occupiers and tenants for the time being of the lands so let down or caused to subside as may, from time to time, be agreed upon by and between the Company and such owners, occupiers and tenants respectively. And provided always further that the Company shall not, save as herein expressly mentioned, exercise all or any of the rights and liberties in this clause mentioned, other than the right of ingress and egress aforesaid, over the surface of any lands other than those which are described in the second part of the First Schedule hereto, and secondly hereinbefore expressed to be hereby demised, and those which may be hereafter acquired by and leased to the Company under the provisions hereinbefore contained.

12. The Company shall have liberty, in or upon the surface of all or any of the demised premises to drive, make, erect, maintain and use any levels, drifts, tunnels, airways, inclined planes, railways, tramways, roads, drains, steam engines, pumps and underground works whatsoever, which the Company shall consider necessary or convenient, and may use all underground springs and streams of water in such manner and for such purposes as they may think fit.

13. The Company shall have the right of searching, boring, sinking and exploring for gold, silver and all other minerals or valuable substances in any part of the underground area described in the first part of the First Schedule hereto, leased or demised by these presents, without making any payment to the Government in respect thereof, and without being obliged to obtain a Lease of the surface of those places on or in which the boring, sinking and exploring operations may be from time to time carried on under the aforesaid power; but the Company will at all times during the said term compensate the owners, tenants and occupiers of such places for any injury or damage which they may suffer by reason of the said boring, sinking and exploring operations, and will at all times keep the Government fully indemnified against all claims, demands, actions and proceedings by any of such owners, tenants and occupiers as aforesaid in respect of any injury or damage whatsoever.

14. The Company shall be at liberty, with the consent of the Government, to use all springs, rivers and rivulets in and throughout the territories of and belonging to the Government, and to abstract therefrom by means of pipes, conduits or watercourses any water which the Company may consider necessary or expedient either for the supply and sanitary needs of the persons employed by them in connection with the mines hereby demised or for working any engines, machinery or plant used in connection with or for the purposes of the Company's mining or other operations. Provided always that the Company shall not, except as aforesaid, divert or alter the natural channel and course of any such river or rivulet or throw any spoil, rubbish or refuse into any such spring, river or rivulet.

15. The Company shall be at liberty, with the consent of the Government, to use all ways, watercourses, rivers and rivulets in and throughout the territories of, and belonging to, the Government for the purpose of their mining operations, either for carrying stores and materials to, or for carrying minerals, produce and materials away from the demised premises.

16. The Company shall, during the subsistence of the term hereby granted, keep and maintain in good repair all roads which shall be made and constructed and for the time being in use by them under the liberties and powers hereinbefore given to the Company and shall, at the expiration or sooner determination of the said term, break up, clear, and, in the case of agricultural land, restore fit for agricultural purposes the sites of any such roads and any such railways, sidings or tramways which shall have been so made or constructed as aforesaid as the Government shall not, by notice in writing to be delivered to the Company within three calendar months of such expiration or sooner determination, require to be left. Provided always, that upon any transfer or surrender under Clause 20 hereof the Company may, in lieu of any further obligation under this clause to repair the same, break up, clear and, in the case of agricultural land, restore fit for agricultural purposes the sites of any such roads, railways, sidings or tramways as aforesaid which by reason of such transfer or surrender shall have become useless or unnecessary to the Company, and which the Government shall not, by notice in writing to be delivered to the Company within three calendar months from such transfer or surrender, require to be left, and thereupon all further liability to repair such roads shall cease and determine.

17. There are hereby reserved to the Government, during the said term hereby granted, by way of rent, for all the premises hereby demised and hereafter to be demised under the provisions hereinbefore contained, the royalties specified in the Second Schedule hereto, calculated and payable as from the date and at the times and in the manner therein expressed, and except as hereinafter by clause 20 provided, and except the land assessment payable for the surface land under clause 18, no further rent or loyalty shall be payable by the Company to the Government in respect of any of the premises hereby demised or hereafter to be demised as aforesaid.

18. The Company will, in every year, on or before the day or days for the time being fixed by the Government for payment thereof, during the term hereby granted, pay to the Government, in respect of all surface land described in the Second part of the First Schedule hereto, and also in respect of all surface land which may under the provisions hereinbefore contained, be acquired by, and demised to, the Company, except such parts thereof respectively as shall for the time being have been surrendered, land assessment at the following rates, that is to say, in respect of the surface land described in the Second part of the First Schedule hereto, the present rate of land assessment for those lands with the addition thereto of half the amount thereof, which land assessment so fixed shall remain unchanged during the whole duration of the term hereby granted: and in respect of all surface land which may under the provisions hereinbefore contained be hereafter acquired by and demised to the Company, at the option of the Company to be declared at the time of applying for the Lease thereof, either a permanent land assessment to be determined in the same way as for the surface land demised by these presents or the ordinary rate of agricultural land assessment as fixed from time to time for agricultural (including waste and grazing) land of the same character in the surrounding district by the Government Settlement and Survey Department.

19. The Company will, during the said term, pay to the Government the royalties specified in the Second Schedule hereto on the day therein prescribed for payment thereof.

20. The minimum royalty or dead rent payable in respect of the underground area described in the first part of the first Schedule hereto shall be payable on the day or days for the time being appointed by the Government for the payment of the land assessment of the neighbourhood, and shall, subject to the provisions hereinafter contained, be as follows:—

Down to the end of the first 5 years computed from the date of these presents, nothing.

From the 6th to 10th year inclusive computed as aforesaid Halli Sicca Rs 40 per square mile per annum

„ 11th to 15th	do	50	do	do
„ 16th to 20th	do	60	do	do
„ 21st to 25th	do	70	do	do
„ 26th to 30th	do.	80	do	do.

The last mentioned rate of Halli Sicca Rs. 80 per square mile shall be the maximum rate payable annually in respect of the said minimum royalty or dead rent during the continuance of this demise; and, for the purpose of calculating the said minimum royalty or dead rent to be paid as aforesaid, and for the other purposes hereinafter appearing, the Company shall, before the expiration of the first 5 years above referred to, divide the area of the said premises described in the First part of the First Schedule hereto, by deed poll executed by them or their attorney thereto duly authorized and delivered to the Government, into sections of any size or shape the Company may determine, but so that no one section shall be of a greater superficial area than 25 square miles or thereabouts. Provided always that no such minimum royalty or dead rent as aforesaid shall be payable by the Company in respect of any section or sections if and so long as *bonâ fide* work for gold, silver and other minerals or valuable substances is being carried on by the Company thereon, or any part thereof, any difference between the parties on the question whether any such *bonâ fide* work is being so carried on to be decided by arbitration under clause 46 hereof. Provided further that the Company shall be entitled to credit against any royalties that may become payable in respect of any section or sections worked by them, all sums previously paid in respect of such section or sections as minimum royalty or dead rent during any part of the preceding 30 years, when such section or sections was or were not being worked by them, but such period shall not extend at any time beyond 30 years before the time when the royalties shall have become payable, and for the purpose of this Clause each section shall be treated as being the subject of a separate demise. Provided further that the Company shall be at liberty at any time, upon giving three calendar months' notice to the Government in that behalf, to surrender any one or more section or sections, or fractions of sections of the aforesaid area to the Government, or of the surface land demised to the Company (so that the section or tract of surface land so surrendered be not less than an integral Survey Number shown in the Revenue Survey Village Map of His Highness the Nizam's Dominions), and shall forthwith be entitled, as the case may be, to a discharge of or a *pro-ratâ* reduction in the amount of the minimum royalty or dead rent and land assessment thenceforth payable in respect of any section of surface land which or a part of which shall have been so surrendered. And upon the expiration of any such notice and provided the Company shall upon such expiration pay all rents,

royalties and other monies which may then be due and payable under these presents to the Government in respect of the section or tract of surface land so surrendered, this present lease and the liberties, licenses and powers hereby granted, (subject, nevertheless, to the rights of the Company under clause 36 hereof,) and all future liability of the Company, shall cease and determine, so far as regards the part of the said premises so surrendered, but without prejudice to any right of action or remedy which shall have accrued to the Government in respect of any breach of the covenants and provisions as to the part so surrendered, and also without prejudice to the covenants and provisions herein contained, and to the rights and liabilities of the Company and the Government respectively hereunder in respect of all such parts of the said premises as shall not have been surrendered; and the Company shall thereupon grant to the Government all such powers, easements and rights consistent with the efficient and convenient working and development by the Company of the premises not surrendered as may be necessary or expedient for efficiently and conveniently working and developing the premises so surrendered.

21. The Company will maintain in good order and repair, to the satisfaction of the Government, all buildings, plant, machinery and works erected, constructed or used by the Company, during the subsistence of the said term, (if and so long as the same are serviceable for the purposes of the undertaking) except such buildings, plant, machinery and works as shall have been erected, constructed or used exclusively for the purposes of, or in connection with any part of the mines hereby demised, which shall have been worked out or become incapable of being worked at a profit, or which shall have been surrendered under the provisions of Clause 20 hereof. Provided always that the provisions of this clause shall be subject and without prejudice to the rights conferred upon the Company by Clause 37 hereof.

22. The Company shall not at any time during the subsistence of the said term keep any armed retainers. If any further or other protection than is afforded by the special police to be provided and maintained as in Clause 38 hereof mentioned shall at any time be required by the Company the Government shall forthwith upon application being made by or on behalf of the Company supply at the cost of the Government all such further and other protection as may be necessary.

23. Neither the Company, nor any of its servants other than natives of India, shall have, and such servants being natives of India shall not by the permission or sufferance of the Company have during the subsistence of the said term, any monetary transactions with the Government, or with the nobles, jagirdars, jemadars, zamindars, or with any of the officials of the Hyderabad State, other than and except such monetary transactions as are provided for by or are incidental to these presents, or the sale of the gold, or any other minerals obtained under or by virtue of these presents.

24. The Company shall not assign, underlet or part with the possession of the demised premises or any part thereof, without the consent in writing of the Government for that purpose first had and obtained, which consent the Government hereby agrees shall not be unreasonably withheld.

25. The Company will, hereafter during the subsistence of the term

hereby granted, in the best and most effectual manner, and to the utmost, and on the most approved principles, and with due provision for drainage and ventilation of mines, and for the security of life and the maintenance of the value of the property, work, win, get and raise such of the mines, minerals and substances hereby demised as they may for the time being in their discretion decide upon working, so far as is consistent with the provisions of Clause 25 hereof, and will at all times during the said term fairly and diligently use their best endeavours to work, win, get and raise the same, and to sell and dispose of the same to the best advantage of both parties. Provided always, and it is hereby expressly agreed, that it shall be in the absolute discretion of the Company to decide upon which and how many of the said sections active mining operations shall be carried on from time to time.

26. The Company shall not permit or suffer any subterraneous or other excavations, except roads and ways properly supported, to be made under any dwelling house or building erected before the date of these presents, which shall not for the time being be in the possession or occupation of the Company, or within such distance from any such dwelling house or building as shall in each case so from time to time be fixed by the Government Mining Engineer for the time being or any works or operations whatever which shall be reasonably calculated or likely to structurally damage any such dwelling house or building. Provided always, that this clause shall not apply to cases where the Company shall be ready and willing to take such dwelling house or building at a fair valuation, to be determined, if necessary, by valuation under the Arbitration Clause hereinafter contained.

27. The Company shall not without the previous consent in writing of the Government for that purpose first had and obtained, remove or suffer to be removed from the premises for the time being in the possession of the Company or any part thereof, any minerals or other substances raised or gotten from the mines hereby demised for the purpose of sale or otherwise, or use or convert for any purpose, or consume any such minerals or other substances until the particulars thereof have been duly entered and recorded in the Company's books, for the purpose of ascertaining the amount of the royalties payable in respect of such minerals and other substances.

28. The Company will, at its own expense, during the said term, erect and continue at the place or each of the places where any gold, silver, and all other minerals or valuable substances to be gotten during the said term out of the mines hereby demised shall be raised or brought to the surface, extracted from the ore or refined, one or more machine house or houses, and keep the same in good repair, and set up and continue a weighing machine or machines with proper standard weights of His Highness' State or such other weights as may be necessary or convenient in the machine house or houses so to be erected; and will at all reasonable times permit any officers and workmen appointed by the Government in that behalf to have free access to such machine or machines and weights, and make use of, prove and regulate the same, and will keep the same in good repair, and at the like expense provide proper persons to superintend the same; and will cause all the gold, silver and all other minerals or valuable substances which shall be gotten from the demised premises, (whether the same shall be taken away and sold or disposed of, or otherwise used or consumed,) to be duly weighed, and will cause the weights of all such gold, silver and all other minerals or valuable sub-

stances, distinguishing each of the same and the different classes and qualities of each, to be from time to time entered in proper books of account to be provided for that purpose by the Company and to be kept at the office where such gold, silver, and all other minerals or valuable substances shall be raised, brought to the surface, extracted from ore or refined; and will not remove, consume, or dispose of any gold, silver, or other minerals or valuable substances until so weighed and entered; and will permit any persons from time to time appointed in that behalf by the Government, at all reasonable times, to have free access to the said machine house or machine houses and office, and to inspect, cast up and examine the said books, entries and accounts, and take extracts or copies of the same, and will permit any persons from time to time appointed in that behalf by the Government to be present when the said gold, silver, and all other minerals or valuable substances shall be weighed, and also from time to time, as often as such persons shall think proper, to weigh and take account of all such gold, silver, and all other minerals or valuable substances and for that purpose to have the use of the said machines, and also the help and assistance of any of the servants or workmen there employed, and the use of the horses, wagons, trucks, carts and other carriages, ropes, tackle and other implements and other machinery employed in and about any of the Company's premises, without making any compensation for the same, but not unreasonably hindering the servants or workmen of the Company.

29. The Company will, on the last day of every third calendar month during the continuance of the said term, settle and make up full, true and particular accounts of all gold, silver and all other minerals or valuable substances gotten and raised from the mines hereby demised, and of all sales thereof respectively, with dates, names, weights, prices and all such particulars as the Government shall from time to time require.

30. All accounts necessary for ascertaining the rents and royalties payable hereunder shall be kept in such a form as the Government shall from time to time prescribe and in local currency, and a true statement of all such accounts shall be submitted yearly by the Company to the Government, and all local accounts shall be kept in local currency.

31. In case any of the following classes of minerals and substances shall be raised and gotten from the premises first hereinbefore expressed to be hereby demised, the Company shall keep or cause to be kept separate accounts in respect of each of them, that is to say—(A) gold and silver; (B) iron ore and stone (of which each separate quality is to be in a separate class as if separately here specified); (C) precious stones; (D) mineral oils; (E) alum; (F) pottery earth; (G) fire clay; (H) lime stone; (I) coal and all clays, metals, minerals and mineral substances hereby demised, (each to be separately classified).

32. The Company will, at all times during the said term, keep and will, on the First day of March in each year of the said term if required, deliver to the Government true and correct plans and sections made and corrected up to the end of the last preceding year of the mines hereby demised, and of all the workings thereof, and of all seams, veins or lodes which shall have been discovered therein, upon which plans and sections the extent position and actual condition of the Company's works shall be actually set forth and delineated. Such sections shall be made to the scale of twenty feet to an inch and the plan of the workings to the scale of one hundred feet to an inch, and such sections and plan shall be kept at the counting-house of the Company on the demised premises.

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33. All such plans and sections as in the last preceding clause mentioned and all books, accounts, documents, vouchers and papers relating to any operations under this lease, so far as the Government are interested therein respectively under these presents, and also all the mines and works of the Company, shall at all reasonable times be open to the inspection of any person or persons duly authorized from time to time in that behalf by the Government, but not exceeding a reasonable number of persons at any one time, and free access, and all reasonable facilities for inspecting and taking copies of, or extracts from, such plans, sections, books, accounts, documents, vouchers and papers, and for inspecting, measuring and testing such mines and works, and all information in connection therewith which shall be required by such person or persons, shall be afforded to such person or persons by the Company, their agents, servants and workmen, provided always that the exercise of all or any of the rights by this clause given to the Government shall be conducted at reasonable hours in the day time, and in such a manner as shall not interfere more than is reasonably necessary with the operations and works of the Company.

34. The accounts, so far as the Government are interested therein under these presents, may be audited half-yearly by any duly authorized agent or agents for the time being of the Government, and such agent or agents shall for that purpose have power to call for all such books, accounts, documents, vouchers, plans and sections as he or they may *bonâ fide* think necessary for the verification or elucidation of such accounts.

35. The Company will from time to time and at all times during the term hereby granted properly and securely fence off and keep fenced off from the adjoining lands, by means of a substantial post and rail fence at least four feet in height, or some other fence sufficient to protect the public, or their cattle, sheep, or other animals, from straying into the same, all pits, shafts, machinery, railways, sidings, tramways and other works used by the Company in connection with the said demised mines; and will, within six calendar months next after any pit or shaft shall have been permanently disused, cover the same with a good and substantial arch of brickwork or masonry to the satisfaction of the Government or their mining engineer, and will, within six calendar months next after the First day of January in every year, either fill up, stop and level such parts of the surface lands for the time being in the possession or occupation of the Company as shall no longer be required by the Company. (except such parts thereof as the Government may by notice in writing require not to be filled up, stopped or levelled), or make due compensation to all persons, other than the Government, affected by the failure or omission of the Company to fill up, stop or level the same, and will cause the whole of the surface lands, which may at any time during the said term have been used or occupied by the Company, to be filled up, stopped or levelled within six calendar months next after the end or sooner determination of the said term (except such parts of the said lands as the Government may by notice in writing, delivered prior to such end or other sooner determination, require not to be filled up, stopped or levelled), and will, within the same six calendar months, either reinstate or restore such part of the lands so to be filled up, stopped or levelled, as were prior to the Company's use or occupation of the same cultivated or used for pasture to a state fit for cultivation or pasture respectively, or make due compensation to all persons other than the Government affected by the failure or omission of the Company so to reinstate and restore the same.

36. At the expiration or sooner determination of the term hereby granted, the Company will deliver up to the Government all the demised premises and all premises which may hereafter be demised to the Company under the provisions hereinbefore contained, together with all erections and buildings then standing and being thereon or on any part thereof, and all fixed machinery and fixtures, (except such as are hereinafter authorized to be removed or disposed of by the Company, in good and substantial repair and working order, and in all respects in such state and condition as shall be consistent with the due performance and observance of the covenants herein contained, (except so far as shall be otherwise agreed upon between the Company and the Government,) and as shall also be consistent with all agreements between the Company and the Government.

37. The Company shall not during the last year of the said term, or at or after the expiration or sooner determination thereof, without the license in writing of the Government for that purpose first had and obtained, take down or remove any buildings or erections, fixed machinery or fixtures standing or being on any part of the demised premises or any premises which may hereafter be demised to the Company under the provisions hereinbefore contained. And shall not during any part of the said term, without such license as aforesaid, take down or remove any such buildings, erections, fixed machinery or fixtures as aforesaid, unless and except so far as the same shall have ceased to be serviceable for the purposes of the undertaking, or except for the purpose of replacing the same respectively by other buildings, erections, fixed machinery, or fixtures, of equal or superior utility. Provided always that it shall be lawful for the Company, at or within six calendar months after the expiration or sooner determination of the said term, or after any surrender of part of the said premises under Clause 20 hereof, to sell, by auction or private contract, and either on or off the said premises, and to remove all engines, machinery, rails, sleepers, ropes, plant and materials belonging to the Company, and used in or about the said premises, or the part of the said premises so transferred and surrendered respectively, the Company first offering to the Government the option, (which if not accepted by the Government within three calendar months after being offered shall be deemed to have been refused,) of purchasing all or any part of the said engines, machinery, rails, sleepers, ropes plant and materials, as the same shall stand and be in upon and about the said premises, at such a price as shall be agreed upon between the Company and the Government, and, in default of such agreement, at such a price as shall be fixed by arbitrators under the Arbitration Clause hereinafter contained. And the Company shall not remove or sell to any other person any of the said engines, machinery, rails, sleepers, ropes, plant and materials, which the Government shall desire to buy at such price as aforesaid, unless the Government shall fail to complete the purchase of the same within six calendar months after such option shall have been offered to them.

38. A special police shall, if required by the Company, be appointed by the Government to enforce order between the servants of the Company, while engaged in any operations connected with this lease, and the subjects of the Government; and the cost of such police force shall be borne in the following proportions, that is to say, three-tenths by the Government, and seven-tenths by the Company. Such police force shall be placed and shall at all times be and remain under the orders of an officer of the Government of India, to be from time to time appointed by the British Resident at Hyderabad, so long as the Government of India shall assent to such arrangement.

39. All machinery, plant and utensils, and other stores and supplies required for mining purposes, ordered or required by the Company for the purpose of executing any works, either temporary or permanent, or carrying on the works and operations incident to or in connection with this lease, shall be admitted into and carried through the territories of the Government free of all fiscal charges and duties whatever for the time being payable either to the Government, or to any local authorities or other person claiming under the Government by virtue of any title accrued subsequently to the seventh day of January One thousand eight hundred and eighty-six. And all gold, silver and other minerals or valuable substances shall be carried through and exported out of the same territories free of all such fiscal charges and duties. And if at any time hereafter any such fiscal charges or duties as aforesaid are imposed upon the carriage, import or export of any of the articles or things aforesaid, the rents and royalties by these presents reserved shall be accepted by the Government in satisfaction and discharge of all such charges and duties. It being the true intent and meaning of these presents that the rents and royalties hereby reserved shall be in full satisfaction and discharge of all fiscal charges and duties now or hereafter chargeable or imposed under the Law of the dominions of the Government for the time being in force, or in respect of all or any part of the mines, minerals and other substances hereby demised and raised or gotten from the demised premises or any part thereof, or on the Company in respect thereof except the rate of agricultural land assessment usually payable in respect of similar lands in the dominions of the Government.

40. If at any time hereafter, during the continuance of the term hereby granted, the rates charged by any State Railway guaranteed by the Government for the freight of any such minerals or mineral substances as are hereby demised, whether in their raw state or manufactured, shall, by agreement between the Government and such Railway, be raised or altered so as to exceed the rates at the date of these presents charged by the Great Indian Peninsular Railway for similar freight, then and so often as the same shall happen, it shall be lawful for the Company to refer, under the Arbitration Clause hereinafter contained, the question whether any and if any what modification, diminution, or alteration ought to be made in the royalties hereby reserved, by reason of such raising or alteration of the rates as aforesaid.

41. Provided always, and these presents are upon this express condition, that if and whenever any part of the rent, royalties or assessment hereinbefore reserved or made payable shall be in arrear for three calendar months, whether the same shall have been legally demanded or not, or if the Company shall be wound up, or cease to exist, or if and whenever there shall be a breach or non-observance of any of the covenants and conditions on the part of the Company herein contained and the Company shall fail to make pecuniary compensation to the satisfaction of the Government for such breach or non-observance, it shall be lawful for the Government to re-enter upon any part of the demised premises in the name of the whole, and thereupon the term hereby granted shall absolutely cease and determine, without prejudice, nevertheless, to the recovery of such of the rents, royalties and assessments hereby reserved and made payable as shall then be due or owing, and without prejudice to any right of action or remedy which shall have accrued to the Government in respect of the breach or non-observance of any of such covenants and conditions as aforesaid; and such right of re-entry may be exercised by the Government notwithstanding the waiver by the Government of any

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prior forfeiture or forfeitures. Provided further and it is hereby expressly agreed that for the purposes of this Clause each section made in pursuance of Clause 20, shall be treated as being the subject of a separate demise, and the power of entry hereinbefore contained shall be exercisable only, whether for non-payment of rent or otherwise, upon the section or sections in respect of which a breach has been committed.

42. The Company paying the rent, royalties and assessments hereby reserved and made payable, at the times and in manner hereinbefore appointed for payment thereof respectively, and performing and observing all the covenants and conditions on the part of the Company herein contained, may peaceably and quietly hold, use, occupy and enjoy the demised premises, subject as hereinbefore expressed, during the said term hereby granted without any interruption or disturbance by the Government or any person lawfully claiming any estate in the demised premises, or any part thereof, through or under the Government.

43. If the Company shall, with the previous consent of the Government, for that purpose first had and obtained, assign the demised premises or any part thereof, and shall, at the Company's expense, procure the assignee or assignees to execute and deliver to the Government a deed or deeds of covenant binding the assignee or assignees to perform and observe all the covenants and obligations and conditions on the part of the Company herein contained, (or in the case of an assignment of part only of the said premises so far as such covenants, obligations and conditions relate to such part,) on the terms and conditions herein contained, then the Company shall be discharged from all further liability to the Government under these presents, or, in the case of an assignment of part only of the demised premises, from all liabilities in respect of the part so assigned: and the subsequent winding up of the Company, or its ceasing to exist, shall not give the Government any right of re-entry, under Clause 41 hereof upon the demised premises or, in the case of an assignment or assignments of part only of the said premise having been made upon the part or parts included in such assignment or assignments.

44. All notices to be given under or with reference to these presents, or anything done or to be done thereunder, shall be in writing, and on the part of the Government shall be under the hand of one of the Secretaries or other proper Officer of the Government and shall be addressed and delivered to the Company's principal representative for the time being in the Government's territories, or shall be left so addressed at the principal counting house of the Company on the demised premises, and on the part of the Company shall be under the hand of the said principal representative and shall be addressed and delivered to or left at the office of one of such Secretaries or other proper Officer.

45. All payments to be made under these presents shall be made in Hyderabad.

46. If any dispute, question, difference or controversy shall arise between the Government and the Company concerning these presents or any clause or thing herein contained, or the construction thereof, or the amount of compensation to be paid thereunder, or any matter or thing to be done thereunder or in any way connected with these presents or the operation thereof, or the rights, duties or liabilities of either party under or in connection with these presents, or in relation to any matter hereinbefore referred to arbitration under this clause, then and in

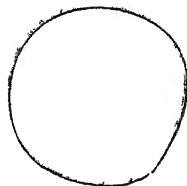
every of any such case or dispute, the matter in difference shall be referred to a Board of Arbitration, one member of which shall be appointed by the Government, and the other by the Company, and the duty of the said Board shall be to inquire into and equitably adjust and determine the same, and, if the Board shall be unable to do so by reason of difference of opinion among the members thereof, or for any other reason, the matter in difference shall stand referred to an Umpire to be appointed by the mutual consent of the said Board in each case before they proceed to arbitration; or in case the Board shall not, within six weeks after the dispute or difference shall have been referred to them, have appointed the said Umpire, the appointment of an Umpire may be made upon the application of either party by the Governor General of India in Council: and the decision of such Board, or in the event of their not arriving at a decision as aforesaid the decision of such Umpire, shall be final and binding upon both parties, and no appeal shall lie therefrom: and upon every such reference the Board of Arbitration and Umpire shall respectively have power to examine witnesses upon oath or affirmation, and to fix, settle and determine the amount of the costs of and incidental to the reference and award respectively to be paid by both parties or by either party, and to direct and award when and by whom such costs shall be paid. In matters not otherwise herein provided for, the provisions of the English Arbitration Act, One thousand eight hundred and eighty-nine, and any acts amending the same shall, *mutatis mutandis*, have effect in relation to every arbitration under these presents.

In witness whereof the said Nawab Secunder Jung Ikbal-ud-Daula, Iktidar-ul-Mulk, Vikar-ul-Umara Bahadur, acting on behalf of the Government of His Highness the Nizam, has hereunto affixed the Seal of State of His Highness' Government, and the Company have caused these presents to be signed, sealed and delivered on their behalf at Hyderabad by Thomas Hermann Lowinsky, their attorney thereunto duly authorized by power of attorney under their Common Seal the day and year first above written.

The Seal of State affixed by me,

(Signed) VIKAR-UL-UMRA,

Prime Minister to His Highness the Nizam.



The Seal of State of the Government of His Highness the Nizam, affixed by the Nawab Vikar-ul-Umara Bahadur, Prime Minister to His Highness the Nizam, in the presence of

(Signed) W. E. JARDINE,

Second Assistant to the Resident.

Signed Sealed and delivered by the said Thomas Hermann Lowinsky for and on behalf of the Hyderabad (Deccan) Company Limited, by virtue of a Power of Attorney from the said Company duly authorizing him in that behalf in the presence of

For and on behalf of the Hyderabad (Deccan) Company Limited.

(Signed.) T. H. LOWINSKY,
Agent and General Manager in India of
the Hyderabad (Deccan) Company, Ltd.

(Signed) A. J. DUNLOP,

SENIOR MEMBER, BOARD OF REVENUE,

His Highness the Nizam's Government.

(Signed) HORMUSJI, N. VAKEEL.

LEGAL ADVISER,

His Highness the Nizam's Government.



THE FIRST SCHEDULE above referred to.

FIRST PART—UNDERGROUND AREA.

All gold, silver and other minerals or valuable substances of whatsoever kind in and under the lands, whether Jagirs or otherwise, situate in His Highness' territory, in the polygonal areas, delineated and shown on the map or plan marked A hereunto annexed and thereon coloured blue, subject to the modification that wherever the lines forming the polygon pass through the lands of any village the actual boundary of the area demised shall follow the boundaries of the village lands, taking the boundaries outside the polygonal area in those cases where the village itself is situate on or inside the right lines forming the polygon, and the boundaries inside the polygonal area in those cases where the village is situate outside the right lines forming the polygon. For the purpose of this description the boundaries of the village lands shall be such as are shown in the Revenue Survey Village Map of His Highness the Nizam's Dominions, and when the right lines forming the polygon appear in the map A as drawn to or through a village, they shall be considered as drawn to or through the point in the village furthest from the interior of the polygonal area.

SECOND PART—SURFACE.

All those pieces or parcels of land situate, lying and being in the Raichore and Lingsugur Districts in His Highness' territory delineated and shown on the maps or plans marked B 1 and B 2 hereunto annexed and thereon coloured pink.

THE SECOND SCHEDULE above referred to.

There shall be paid by the Company to the Government on the 1st day of March, 1895, and on every subsequent 1st day of March in every year of the term by these presents granted, and also on the 1st day of March next after the expiration or other sooner determination of the said term, royalties due as to the payment on the 1st March, 1895, for all the time elapsed from the commencement of the term created by the above Agreement to the 31st December, 1894, and as to subsequent payments for the then preceding year at the rates following, that is to say:—

1. For all gold, silver and connected minerals and other substances (that is those intermixed with and usually and properly worked with the said mines, beds, seams, veins and deposits of gold and silver) extracted from the ores, when sold, five per cent, on the amount of the net proceeds of the sale thereof, in calculating which net proceeds the following and no other expenses shall first be deducted:—
(A) freight, i.e., cost of and incidental to carriage from the mines to the markets;
(B) insurance; (C) assaying; (D) refining; (E) brokerage, stamps and petty contingent charges connected with the foregoing.

In calculating the net proceeds of sale above referred to, the Company shall, in respect of all gold and silver sold by the Company in a manufactured form or otherwise than in their raw state, be entitled to deduct, in addition to the deductions enumerated above, from the sums actually received by the Company for such manufactured gold and silver, a sum equivalent to the actual cost of manufacturing such gold and silver into the form in which they are actually sold, together with a sum equivalent to ten per cent of the sums actually received by the Company for such manufactured gold and silver.

2. For any other minerals that may be discovered and worked by the Company other than those above specified the royalties, deductions and allowances shall be determined by agreement between the Government and the Company when such other minerals are discovered and worked; and in the event of their being unable to agree shall be referred to a Mining Board, to be constituted as hereinafter mentioned, or in any other manner that may be agreed upon between the Government and the Company.

The said Mining Board shall be composed of a Mining Engineer to be appointed by the Government and a Mining Engineer to be appointed by the Company, and, in default of their agreement, of an experienced Engineer in India or England, to be appointed by the Governor General of India in Council.

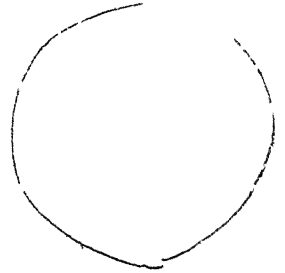
In this Schedule "the then preceding year" means "the year ending on the then last preceding 31st day of December for the time being"

The Seal of State affixed by me

(Signed) VIKAR-UL-UMRA,

Prime Minister to His Highness the Nizam.

The Seal of State of the Government of His Highness the Nizam, affixed by the Nawab Vikar-ul-Umra Bahadur, Prime Minister to His Highness the Nizam, in the presence of



(Signed) W. E. JARDINE,

Second Assistant Resident.

For and on behalf of the Hyderabad
(Deccan) Company Limited

(Signed) T. H. LOWINSKY,



AGENT AND GENERAL MANAGER IN INDIA,
of the Hyderabad (Deccan) Company Limited

Signed sealed and delivered by the said Thomas Hermann Lowinsky for and on behalf of the Hyderabad (Deccan) Company Limited, by virtue of a Power of attorney from the said Company duly authorizing him in that behalf in the presence of

(Sd.) A. J. DUNLOP,

SENIOR MEMBER, BOARD OF REVENUE,

H. H. the Nizam's Government.

(Sd.) HORMUSJI, N. VAKEEL,

LEGAL ADVISER,

H. H. the Nizam's Government.

THE GOVERNMENT OF HIS HIGHNESS THE NIZAM

TO

THE HYDERABAD (DECCAN) COMPANY LIMITED.

Supplement to the Raichore-Deccan Gold Lease, being a grant of prospecting rights over certain lands in the neighbourhood of those comprised in that Lease, and of the right to Leases of the Gold, Silver and other Minerals to be found therein.

This Indenture, made the tenth day of December, 1894, between Nawab Secunder Jung Ikbal-ul-Daula, Iktidar-ul-Mulk, Vikar-ul-Umara Bahadur, Prime Minister to His Highness the Nizam, acting on behalf of the Government of His Highness the Nizam (hereinafter referred to as "the Government,") of the one part, and the Hyderabad (Deccan) Company Limited (hereinafter referred to as "the Company,") of the other part.

On the 2nd May, 1890, the Company applied to the Government for the grant of a Lease of the gold, silver and other minerals in and under certain lands, in pursuance of the Concession granted on the 7th January, 1886, to William Clarence Watson and John Stewart, now vested in the Company. The Government objected as to a great part of the said lands, that the Company had not demonstrated the existence of gold, silver or other minerals therein which the Government alleged it was necessary, under the said Concession, that the Company should do before it could have the right to such Lease. The Company maintained that it was not, under the said Concession, necessary for them to do so.

Finally, it was agreed between the said parties by way of compromise that a Lease should be granted by the Government to the Company of the polygonal area shown on the map hereunto annexed and thereon coloured blue, and of certain surface lands, and that the said parties should enter into these presents with reference to the tract of lands shown on the said map, and thereon coloured yellow.

In pursuance of the said agreement, an Indenture of Lease of the said polygonal areas and surface lands, bearing even date herewith and made between the parties hereto, has been executed immediately before the execution of these presents.

Now this Indenture witnesseth that it is hereby agreed between the said parties hereto, the Government binding itself as to the matters to be performed and observed by the Government, and the Company binding themselves as to all the matters to be performed and observed by them as follows, *viz*:—

1. The Government hereby grants to the Company and agrees that the Company shall have from the date of this present Agreement the exclusive right of prospecting, searching, boring, sinking, exploring and testing for gold and silver throughout lands coloured yellow on the plan hereunto annexed until the 6th day of June, 1904.

2. The Company may from time to time until the said 6th day of June 1904, select and notify to the Government of His Highness the Nizam the selection of any portion of the said lands coloured yellow on the said Plan as to which the Company shall satisfy the Government that the Company have good grounds for believing that it is auriferous or contains any other minerals or valuable substances and which the Company desire to acquire.

3. Upon any lands or the mines and minerals thereunder being so selected His Highness's Government will from time to time at the expense of the Company, but free of any premium or other payment except the royalty and dead rent to be reserved by the Lease or Leases hereinafter referred to, grant to the Company or their licensed nominees a Lease or Leases thereof, and of such surface lands as the Company shall require for the purpose of working the same, and of the gold, silver and other minerals or valuable substances in and under the premises comprised in such selection, for the term of 99 years, beginning on the 1st day of January, 1886, and upon the execution of any such Lease or Leases shall give immediate possession of the premises comprised therein respectively.

4. Every Lease so to be granted shall contain precisely the same terms and conditions in all respects *mutatis mutandis* as regards blocking the area, royalties, ground rent, dead rent, freedom from fiscal charges or duties, right to subsequent Leases of further surface lands and other matters, as those contained in the Lease of even date herewith.

5. The Company shall until the 6th day of June, 1904, pay to the Government of His Highness as a rent for the rights of prospecting hereby granted the annual sum of 50 Hali Sien rupees by equal quarterly payments on the 6th day of September, the 6th day of December, the 6th day of March and the 6th day of June in every year, the first of such quarterly payments to be made on the 6th day of September, 1894, and the last of such quarterly payments to be made on the 6th day of June, 1904.

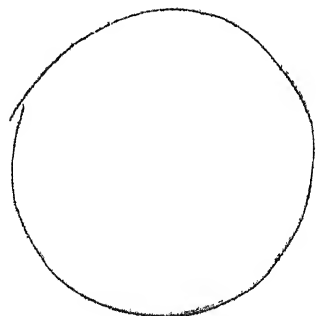
In witness whereof the said Nawab Secunder Jung Ikbal-ud-Daula Iktidar-ul-Mulk, Vikar-ul-Umara Bahadur, acting on behalf of the Government of His Highness the Nizam has hereunto affixed the Seal of State of His Highness' Government, and the Company have caused these presents to be signed, sealed and delivered on their behalf by Thomas Hermann Gowsinsky, their Attorney, in that behalf duly authorized by power of attorney, under their Common Seal at Hyderabad the day and year first above written.

The Seal of State affixed by me

(Signed) VIKAR-UL-UMRA.

Prime Minister to His Highness the Nizam.

The Seal of State of the Government of His Highness the Nizam, affixed by the Nawab Vikar-ul-Umara Bahadur, Prime-Minister to His Highness the Nizam, in the presence of



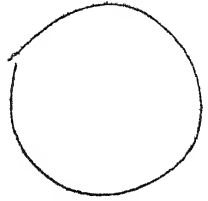
(Signed) W. E. JARDINE,

For and on behalf of the Hyderabad (Deccan) Company Limited.

(Signed) T. H. LOWINSKY,

AGENT AND GENERAL MANAGER IN INDIA,

of the Hyderabad (Deccan) Company, Limited.



Signed, sealed and delivered by the said Thomas Hermann Lowinsky for and on behalf of the Hyderabad (Deccan) Company Limited by virtue of a Power of Attorney from the said Company duly authorizing him in that behalf, in the presence of

(Signed) A. J. DUNLOP,

SENIOR MEMBER, BOARD OF REVENUE,

H. H. the Nizam's Government.

(Signed) HURMUSJI, N. VAKEEL,

LEGAL ADVISER,

H. H. the Nizam's Government.

ROYAL COURTS OF JUSTICE,
KING'S BENCH, COURT 5.

In Arbitration.

BETWEEN
The Government of His Highness
the Nizam of Hyderabad

AND

The Hyderabad (Deccan) Company,
Limited.

BEFORE—

THE RIGHT HON'BLE SIR ARTHUR WILSON, K.C.I.E.,

AND

SIR KENELM E. DIGBY, G.C.B., K.C.,
Arbitrators.

AND

THE RIGHT HON'BLE ARTHUR COHEN, K.C.,
Umpire.

AWARD.

Dated 22nd November 1907.

FRESHFIELDS,

Solicitors for H. H. THE NIZAM.

CLEMENTS, WILLIAMS & CO.,

17, Gresham House,

Old Broad Street, E. C.,

Solicitors for the Company

IN ARBITRATION—

BETWEEN

THE GOVERNMENT OF HIS HIGHNESS THE NIZAM OF HYDERABAD,

AND

THE HYDERABAD (DECCAN) COMPANY LIMITED.

A W A R D .

WHEREAS by an Indenture made the Seventh day of January One thousand eight hundred and eighty six between Nawab Mir Laik Ali Khan Bahadur Salar Jung Munir-ud-Davlah Mukhtar-ul-Mulk Imadas Sultana Prime Minister to His Highness the Nizam acting on behalf of the Government of His Highness the Nizam (therein and hereinafter referred to as “the Government”) of the one part and William Clarence Watson of No. 7 Great Winchester Street in the City of London Merchant and John Stewart of No. 26 Throgmorton Street in the said City Esquire (thereinafter referred to as the Concessionaires) of the other part it was amongst other things agreed by a clause hereinafter referred to as 3-A that the Concessionaires or a Company to be formed by them under the Companies Acts 1862 to 1880 as in the said Indenture provided might at any time or times until the first day of January One thousand eight hundred and ninety without payment to the Government from time to time select and notify to the Government the selection of such and so many of the coal and iron mines and beds in His Highness’s territories therein mentioned and amongst others the Singareni Iron Mines the Sasti Coal Mines and the Paoni Coal Mines as the said Coal Company might wish to acquire for mining operations and on which the said Company should be prepared to commence within two years from selection or from the opening of a section of the proposed railway within reasonable distance whichever should first happen active mining operations conformably with the terms of the said indenture and that every such notification should describe the premises therein referred to by reference to the village plan or map relating to the same or otherwise with sufficient certainty and that upon any such premises as aforesaid being selected and notified as aforesaid if the Concessionaires and the said Company should up to that time have fully observed and performed their part of the

said agreement the Government would from time to time at the expense of the Concessionaires or the Company but free of any premium or other payment not therein expressly provided for grant to the Company or their licensed nominees (if any) and the said Company or their licensed nominees should accept without any investigation of or objection to the title to such premises a lease of such premises for a term of ninety-nine years from the date of these presents upon and subject to the terms and conditions therein-after referred to.

2. AND WHEREAS it was by the said Indenture further provided by a clause therein contained hereinafter referred to as 17 that the Concessionaires or the said Company should have from the date of the said indenture (so far as the Government could grant the same) the exclusive right of prospecting and testing for Gold Silver Iron Coal precious stones precious metals and other mines and minerals and mineral oils and mineral substances of what kind so ever throughout all portions of the territories of His Highness the Nizam until the thirty first day of December One thousand eight hundred and ninety one but the Concessionaires or the Company should before exercising such right notify to Government their intention so to do and that the Concessionaires or the said Company might from time to time until the said thirty first day of December One thousand eight hundred and ninety one select and notify to the Government the selection of (specifying the same) such and so many of any lands mines fields beds deposits of coal clay iron ironstone limestone and all or any other minerals metals precious stones mineral oils and mineral substances in the territories of His Highness the Nizam (other than those specified in the third article of the said indenture) as they might desire to acquire for the purpose of mining operations and such notification should describe the lands selected by reference to the village map or plan relating to the same and upon any premises being selected as in this clause provided the Government would from time to time at the expense of the Concessionaires or the Company but free of any premium or other payments not by the said Indenture expressly provided for grant to the said Company or their licensed nominees (if any) who respectively accept the same a lease or leases of such premises for a term of ninety-nine years from the date of the said Indenture which lease or leases should reserve in respect of such mineral or mineral substance to be thereby demised rents and royalties to be fixed as therein mentioned and should contain the same powers and covenants (*mutatis mutandis*) as therein-before provided with respect to the premises to be selected under the provisions of the third article of the said Indenture.

3. AND WHEREAS it was by the said Indenture further agreed that if any dispute or difference should arise between the Concessionaires or the said Company on the one hand and the Government on the other hand concerning the concession or the interpretation thereof or the rights or liabilities of either party thereunder such dispute or difference should be referred to a Board of Arbitration one member of which should be appointed by the Government and the other by the other party to the dispute or difference and the duty of the said Board should be enquired into and equitably adjust and determine such dispute or difference and if unable to do so by reason of difference of opinion among the members thereof or for any other reason to refer the same difference or dispute to an Umpire to be appointed by the mutual consent of the said Board in each case before they proceed to arbitration or in case the Board should not within fourteen days after the dispute or difference should have been referred to them have appointed the said Umpire the appointment of an Umpire might be made upon the application of either party by Her Majesty's Secretary of State for India and the decision of such Board or in the event of their not arriving at a decision as aforesaid the decision of such Umpire should be final and binding upon both parties and no appeal should lie therefrom and upon and every such reference the Board of Arbitration and Umpire should respectively have power to examine witnesses upon oath or affirmation and to fix settle and determine the amount of the cost of the reference and award respectively or incidental thereto to be paid by both parties or by either party and to direct and award when and by whom such cost should be paid.

4. AND WHEREAS the abovenamed Hyderabad (Deccan) Company hereinafter called the said Company was duly formed and registered under the Companies Acts 1862 to 1880 and the benefit of the hereinbefore recited agreement was duly transferred to the said Company by the Concessionaires.

5. AND WHEREAS the selection periods under the said Clauses 3-A and 17 respectively were by agreement between the Government and the said Company extended to December thirty first One thousand eight hundred and ninety two

6. AND WHEREAS the said Company did under the said Clause 3-A and 17 make certain selections select and notify to the Government such selections.

7. AND WHEREAS disputes or differences arose between the said Company and the Government whether or not the said Company were entitled to a lease or leases in accordance with the provisions of the Indenture hereinbefore recited of January seventh One thousand and eight hundred and eighty six of all or any or which of the premises referred to in the said notifications respectively AND the said disputes were in accordance with the provisions of the said Indenture of January seventh One thousand eight hundred and eighty six referred to a Board of Arbitration in accordance with the provisions of the said Indenture and one Member of the said Board the Right Honourable Sir Arthur Wilson was appointed by the Government and the other Member Sir Kenelm Edward Digby was appointed by the said Company and the Right Honourable Arthur Cohen, K. C., was duly appointed Umpire in accordance with the provisions of the said Indenture of January seventh One thousand eight hundred and eighty six.

8. AND WHEREAS in the course of the proceedings upon the said Arbitration it was agreed by the said parties respectively that the Right Honourable Arthur Cohen should act as an additional Member of the Board of Arbitration and the said Right Honourable Arthur Cohen did accordingly so act.

9. AND WHEREAS the said Company in the course of the said proceedings abandoned their claims to have leases granted to them or their nominees in accordance with the terms of the said Indenture of January Seventh One thousand eight hundred and eighty six in respect of certain of the coal and iron mines and beds notified and selected by them under the provisions of Clause 3-A And also in respect of certain lands mining fields beds deposits of coal, clay, iron, ironstone, limestone and other minerals selected and notified by them under the provisions of Clause 17 of the said indenture and withdrew the notifications which they had given in respect of such claims.

10. NOW therefore we the said Arthur Wilson, Kenelm Edward Digby and Arthur Cohen having taken upon us the burden of the said reference and having heard and duly considered all the allegations and evidence of the Government and of the said Company respectively of and concerning the disputes so referred as aforesaid DO hereby make and publish this our AWARD in writing as to the said disputes and differences as follows that is to say :—

WE AWARD and DETERMINE that the said Company are under the provisions of the Indenture of January Seventh One thousand eight hundred and eighty six and the agreements hereinbefore recited entitled to

leases to be framed in accordance with the terms of the said Indenture of each of the mines and beds lands mining fields deposits next hereinafter mentioned that is to say:—

Under the provisions of Clause 3-A.

- (1). The Singareni Iron Mines
- (2). The Sasti Coal Mines.
- (3). The Paoni Coal Mines.

and under the provisions of Clause 17:—

- (1). The Vardha Valley excepting the Sasti and Paoni Coal Mines hereinbefore mentioned in respect of coal and all other minerals.
- (2). Tandur in respect of Coal and all other minerals.
- (3). Chonur in respect of Coal and all other minerals.
- (4). Allapully in respect of Coal and all other minerals.
- (5). Singaram in respect of Coal and all other minerals.
- (6). Sivawaram and Madavaram in respect of Coal and all other minerals.
- (7). Palvoncha in respect of Coal iron Limestone and all other minerals.
- (8). Warripet in respect of Coal and all other minerals.
- (9). Kaurawaram in respect of Coal and all other minerals.
- (10). Kummamett in respect of Limestone and all other minerals.
- (11). Kummamett in respect of Mica, Iron and Garnets and all other minerals.
- (12). Guduwal in respect of Gold and other minerals.
- (13). Hoonoormutti in respect of Gold and all other minerals.
- (14). Urckera in respect of Gold and all other minerals.
- (15). Seedagooda in respect of Copper and all other minerals.
- (16). Upper Kistana in respect of Diamonds and all other minerals.

And to no other leases.

11. AND WHEREAS in the course of the said reference it was agreed by the parties thereto that the said Arbitrators and Umpire should have power instead of themselves fixing settling and determining the amount

of the costs of the said reference to direct that the costs of the said Reference should be taxed by one of the Masters of the Supreme Court we further AWARD and DETERMINE that one half of the costs of the said Company including the costs of Shorthand Notes in respect of the said reference to be taxed as aforesaid be paid by the Government to the said Company and that the costs of the Award amounting to Twelve hundred and ninety nine pounds ten shillings (£ 1,299-10-0) be borne and paid by the said Government and if the said costs or any part thereof shall have been paid by the said Company that the said costs or such part thereof shall be repaid by the Government to the said Company.

12. IN WITNESS whereof we have hereunto set our hands this twenty second day of November One thousand nine hundred and seven.

SIGNED and PUBLISHED on	}	(Signed) ARTHUR COHEN.
the day and year last above		
mentioned in the presence of		(Signed) ARTHUR WILSON.

(Signed) KENELM E. DIGBY.

(Signed) Ernest E. Hayward,

Barristers's Clerk,

5, Paper Buildings,

Temple, E.C.

they have accordingly come to the following agreement NOW THIS INDENTURE WITNESSETH that it is hereby agreed and declared as follows :—

1. FROM the date of these presents until the 30th of June 1924 but not afterwards the Company shall have the exclusive rights (so far as the Government can grant the same) of prospecting and testing for Gold, Silver, Iron, Coal, precious Stones, precious metals and other metallurgical minerals of all kinds and mineral oils clay ironstone and mineral substances of what kind soever in on or under all or any of the said nineteen areas.

2. FROM the date of these presents until the expiration of 12 Calendar months from the end of the period during which the Company are hereby authorised to prospect and test as aforesaid (but not afterwards) the Company shall have the exclusive right from time to time to select and to notify in writing to the Government the selection of any lands mines fields beds or deposits of gold silver iron, coal, precious stones, precious metals and other metallurgical minerals of all kinds and mineral oils clay ironstone and mineral substances of what kind soever situate in on or under all or any of the said nineteen areas which the Company may desire to acquire for the purpose of mining operations specifying in each such notification the particular minerals or mineral substances or precious stones intended to be worked in the area notified PROVIDED ALWAYS that if in the course of working or mining the Company or their nominee or nominees shall discover within any of the said nineteen areas so notified any precious stones or any mineral or mineral substances other than such as have been specified in such notification AND if the Company shall notify the Government in writing of their desire to win and work the same then the company or their nominee or nominees having duly paid all rents and royalties reserved by and having duly performed and observed all covenants and conditions contained in any lease or agreement relating to the area in which such discovery shall have been made or any part thereof and on their part to be paid performed or observed shall be entitled to treat such notification as if it had been duly made under Clause 2 hereof and Clauses 4 and 5 hereof shall apply thereto accordingly PROVIDED that any such

notification which may be given after the expiry of five years from the ~~date~~ of such lease or from the date hereof whichever shall be the longer period shall be subject and without prejudice to the rights and liberties of any other person or persons or Corporation under any agreement, lease, license or grant which may after the expiry of such five years have been made or granted by the Government in respect of such other minerals in that area or any part thereof before the receipt of such notification.

3. FROM and after the expiration of the period hereinbefore limited for the exercise by the Company of their right of selection under Clause 2 hereof all rights of the Company under the Concession or these presents shall cease as regards any area within the State of Hyderabad which shall not then either be comprised in one or other of the existing leases of the Singareni Coal Field and the Raichore Doab Gold Field or in such of the areas as shall then have been selected and notified to the Government by the Company under Clause 2 hereof.

4. UPON the receipt of any such notification as aforesaid the Government shall without any avoidable delay prepare and submit to the Company for their consideration a draft lease or draft leases of the premises comprised in such notification for the term expiring on the 7th day of January 1985 each such lease shall be prepared in accordance with Clauses 4 to 12 (both inclusive) of the Concession save as expressly varied by these presents and in accordance with any other variations which may hereafter be mutually agreed upon between the Government and the Company and as soon as possible after the draft of each such lease shall have been agreed between the Government and the Company the Government shall grant to the Company and the Company shall accept a lease or so many separate and distinct leases as the Company may in writing require in accordance with such draft or drafts and the Company under every such lease granted shall respectively thenceforth alone become responsible for the due performance of the Lessees's covenants in the lease or leases respectively. If any question shall arise as to whether such draft or drafts is or is not or are or are not in any particular in accordance with the terms of this clause such question shall be determined by arbitration as hereinafter provided.

5. EVERY such lease shall reserve royalties to commence from the date of the lease and to be fixed by a Mining Board in the manner provided by Clause 11 of the Concession and also a minimum royalty or dead rent to be fixed by the said Board at the expiration of two years from the date of the lease and to become payable as from the date of such expiration and in fixing such minimum royalty or dead rent the said Board shall have regard to all material circumstances and shall so fix the same.

6. THE areas numbered 4, 5 and 11 upon the official map of H. E. H. the Nizam's Dominions prepared in the Office of the Director General of Revenue viz., No. 4 the Wardha Valley Coalfield; No. 5 the Tandur Coal-field, and No. 11 the Warripett Coal-field under the provisions of Clause 17 in the said Award of the 22nd day of November 1907 shall respectively be deemed to be within a reasonable distance of a railway as soon as the railway on the lines already projected and shewn upon the official map of H. E. H. the Nizam's Dominions prepared in the office of the Director General of Revenue or with only such reasonable deviations therefrom as shall not in the opinion of the Mining Board be injurious to the Company is completed from Warangal to Bellersshah or the section thereof from Bellersshah to the river Godaveri is completed to a point North of the river Godaveri which shall be opposite or approximately opposite to the southernmost portion of the areas in question.

7. IN the case of any other of the said nineteen areas the question whether any section of railway has been opened within a reasonable distance of such area within the meaning of Clause 12 sub-clause VIII of the Concession or whether notwithstanding any matter contained in the Concession which might be held to justify the Company in postponing mining operations in such area the time has arrived at which the Company may reasonably be required to commence active mining operations even in the absence of a railway or in spite of the existence of such matter may be raised as occasion arises by the Government at any time after the expiration of two years from the granting of any lease under Clause 4 above as regards the area comprised in such lease and in default of agreement between the parties to the lease such question shall be referred to and determined by arbitration in manner hereinafter provided but in coming

to their decision the Arbitrators or their Umpire shall have regard to the nature or class of mineral mineral substance or stones to be won and the actual or reasonably available means of access to the available markets for the produce of such area and all other material circumstances, and the Arbitrators or their Umpire (as the case may be) shall have power to fix a date after which the Government may at any time re-enter and determine the lease unless active mining operations have been previously commenced and are still being diligently continued. But if within 5 years of the determination of any such lease under this clause the area comprised in such lease shall not have been bona-fide and diligently worked and developed the Company shall at any time thereafter have the right to require that the matter shall be referred to Arbitration in manner hereinafter provided and if the Arbitrators or their Umpire as the case may be shall determine that such area has not been bona fide and diligently worked and developed the Government shall without any delay grant to the Company a fresh lease of such area in the same term as the former lease to the Company and the Arbitrators or their Umpire as the case may be shall determine what if any payment is to be made by the Company in settlement for such if any of the works already executed on such area as will be of use to the Company in the further development of such area and for all plant if any which the Company may be desirous of taking over.

8. If any question shall hereafter arise between the Government and the Company as to whether any gold, silver, iron, coal, precious stones precious metals and other metallurgical minerals of all kinds and mineral oils clay ironstone and mineral substances are or are not capable of being worked to benefit within the meaning of Clause 12 sub-clause VIII of the Concession either by the Company or otherwise such question shall in default of agreement between the parties to the particular lease be determined by arbitration in manner hereinafter provided but in coming to their decision the Arbitrators or their Umpire shall have regard to the nature or class of mineral mineral substance or stones to be won and the actual or reasonably available means of access to the available markets for the produce of such area and all other material circumstances and nothing herein contained

shall prejudice the right of the Company to transfer to the Government under the terms of Clause 11 of the Concession any mine or mines or area or areas which they may find that they are unable to work profitably.

9. ANY question or matter which may be referred to arbitration under these presents and any dispute or difference which may arise between the parties hereto concerning these presents or the interpretation thereof or the rights or liabilities of either party hereunder shall be referred to a Board of Arbitration one member of which shall be appointed by the Government and the other by the Company and the duty of the said Board shall be to inquire into and equitably adjust such question dispute or difference having regard to the particular provisions (if any) of this Agreement relating to the subject matter of such arbitration and if unable to determine the matter referred to them by reason of difference of opinion between the members of the said Board or for any other reason to refer such question dispute or difference to an Umpire to be appointed by the Members of the said Board in each case before they proceed to arbitration, and in case the Board shall not within 28 days after the question dispute or difference shall have been referred to them have appointed an Umpire the appointment of an Umpire may be made upon the application of either party by the Government of India and the decision of such Board or such Umpire (as the case may be) shall be final and binding on both parties and no appeal shall lie therefrom and upon every such reference the Board of Arbitration and the Umpire shall respectively have power to examine witnesses upon oath or affirmation and to fix settle and determine the amount of the costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party and to direct and award when and by whom such costs shall be paid and such Arbitrators shall unless either party shall otherwise require under the Proviso hereinafter contained be conducted in India in accordance with the law for the time being in force in British India with regard to Arbitration Provided always that either party shall have the right to require that

any such arbitration shall be conducted in England in which case the Arbitration shall be conducted in England in accordance with the provisions of the Arbitration Act 1889 or any Statutory extension or modification thereof for the time being.

IN WITNESS whereof the above named Nawab Mir Ali Jinnah Moil-ul-Mulk Bahadur K.C.S.I.

President of the Executive Council Hyderabad acting for and on behalf of the Government of His Exalted Highness the Nizam has hereunto and to a duplicate hereof affixed the Seal of State of His Exalted Highness' Government and the HYDERABAD (DECCAN) COMPANY LIMITED hath hereunto and to a duplicate hereof set its Common Seal and caused the hands of the Chairman of its Board of Directors and its Secretary to be hereunto and to a duplicate hereof set the day and year first above written

Seal of State of the Government
of His Exalted Highness the Nizam
hereunto affixed in the
presence of :-

Seal of H.E.H.
the Nizam's Government

WITNESSES

1. Sd/- G.R.C. Wallisfield

Secretary to Government,
Dept. of Industries & Commerce

Sd/- Moil-ul-Mulk,

President of the
Executive Council.

2. Sd/- Hujee Abdul Kader

Joint Private Secretary to the
President of the Executive Council.

Dated 11th June 1921

Re Common Seal of

The Hyderabad (Deccan) Company Ltd.,
was affixed hereunto in the
presence of :-

1. Sd/- J.P. Hewett, Chairman

2. Sd/- J.P. Scott, Secretary.

Seal of
The Hyderabad (Deccan)
Co. Ltd. 1886

SCHEDULE A.

1. The Singareni Iron Mines
2. The Sasti Coal Mines.
3. The Paoni Coal Mines.
4. The Wardha Valley excepting the Sasti and Paoni Coal Mines hereinbefore mentioned in respect of coal and all other minerals.
5. Tandur in respect of Coal and all other minerals.
6. Chinur in respect of Coal and all other minerals.
7. Allapully in respect of Coal and all other minerals.
8. Singaram in respect of Coal and all other minerals.
9. Sivawaram and Madawaram in respect of Coal and all other minerals.
10. Paloونها in respect of Coal, Iron, Limestone and all other minerals.
11. Warripet in respect of Coal and all other minerals.
12. Kaurawaram in respect of Coal and all minerals.
13. Kummamett in respect of Limestone and all other minerals.
14. Kummamett in respect of Mica, Iron and Garnets and all other minerals.
15. Gudwal in respect of Gold and all other minerals.
16. Hoonoormutti in respect of Gold and all other minerals.
17. Urekerā in respect of Gold and all other minerals.
18. Seedagooda in respect of Copper and all other minerals.
19. Upper Kistna in respect of Diamonds and all other minerals.

Sd/- G.E.C. Wakefield
11th June 1921

Secretary to Government,
Depts of Industries & Commerce

The Hyderabad (Deccan) Coy Ltd

Sd/- J.P. Hewett, Chairman,

Sd/- J.P. Scott, Secretary.

This Indenture

made the *Seventh*

day of *February* One thousand nine hundred and twenty-~~seven~~
BETWEEN *Rajah Rajagan Raja Sir Kishen Prithvi*
Maharaja Bahadur Yashwanth Prithvi PRESIDENT
OF THE COUNCIL OF HIS EXALTED HIGHNESS THE
NIZAM acting on behalf of THE GOVERNMENT OF HIS
EXALTED HIGHNESS THE NIZAM hereinafter called "the
Government" (which expression shall include the Nizam and his
successors and the Government for the time being of the Nizam
and his successors) of the one part and THE HYDERABAD
(DECCAN) COMPANY LIMITED whose registered office is at
6 Laurence Pountney Hill in the City of London hereinafter called
"the Company" (which expression shall include the Company its
successors and licensed assignees) of the other part WITNESSETH
as follows :—

1. In consideration of the rents and royalties hereinafter reserved and of the covenants by the Company hereinafter contained the Government do hereby demise and grant unto the Company FIRST—ALL AND SINGULAR the mines beds seams veins and deposits of coal comprised in or forming part of the Chinur Coal Fields as the same are more particularly described in the first part of the First Schedule hereto AND ALSO all the mineral and other substances intermixed with and usually and properly worked with the said mines beds seams veins and deposits of coal AND SECONDLY—ALL AND SINGULAR the surface lands described in the second part of the First Schedule hereto all which premises hereinbefore expressed to be hereby demised are hereinafter referred to as the demised premises EXCEPT AND RESERVING unto the Government all mines and minerals and substances other than and except the mines minerals and substances hereinbefore expressed to be hereby demised WITH LIBERTY AND POWER to the Government and persons authorised by the Government in this behalf (subject to the right of the Company if the Company shall have duly paid all rents and royalties hereby reserved and duly performed and observed all covenants and conditions herein contained subsisting under a certain Concession dated the Seventh day of January One thousand eight hundred and eighty-six and made between the Prime Minister to and on behalf of the Government of the Nizam of the one part and William Clarence Watson and John Stewart of the other part and an Agreement supplemental thereto dated the Eleventh day of June One thousand nine hundred and twenty-one and made between the President of the Council of the Government on behalf of the Government of the one part and the Company of the other part to have granted to the Company a lease of the said excepted mines minerals and mineral substances or any of them) to enter upon any surface lands (other than those described in the second part of

the First Schedule hereto and secondly hereinbefore expressed to be hereby demised and other than any such additional surface lands as may hereafter be leased to the Company under the provisions hereinafter contained) and to search for work get raise and carry away all or any of the said excepted mines and minerals AND WITH LIBERTY AND POWER for the purposes aforesaid to sink drive erect make and use all such pits shafts adits waterways airways buildings pumps railways tramways roads engines machinery works and other conveniences as shall be necessary or convenient the Government making reasonable and proper money compensation to the Company for any interference with or injury caused thereby to the demised premises or any of them or any of the Company's works TO HOLD the demised premises unto the Company for the term of ninety-nine years from the First day of January One thousand eight hundred and eighty-six subject as from the *seventh* day of *February* - One thousand nine hundred and twenty-*five* to the terms and conditions hereinafter contained.

2. If at any time during the continuance of the term hereby granted the development and working of the mines and minerals hereby demised shall in the opinion of the Company render it necessary or expedient that the Company should require any other surface lands being parts of the land delineated on the map marked "A" hereto annexed and thereon coloured red in addition to those described in the second part of the First Schedule and hereinbefore expressed to be hereby demised for spoil banks or for depositing the output from the mines hereby demised or for constructing buildings roads railways tramways waterways tanks reservoirs shafts inclines or other works necessary for or properly incident to the better development and working of the said demised mines and minerals or any houses buildings or erections which would or might be injured by the subterraneous workings of the Company the Company shall from time to time give notice to the Government of the quantity position and boundaries of the land houses buildings and erection so required and of the purposes for which the same are required.

3. Upon receipt of any such notice as last mentioned (hereinafter called the notice) the Government as to any lands included in the notice and which in case of any dispute shall under Clause 6 hereof be held to be necessary or expedient as aforesaid and being in the possession or under the actual and immediate control of the Government and not for the time being used or required for any public purpose shall forthwith give possession and grant a lease of the same to the Company as from the date of the notice for all the residue of the term hereby granted upon the terms and conditions upon which the lands described in the second part of the First

Schedule hereto are hereby demised. All the costs and expenses of and incident to every such lease shall be paid by the Company but no fine or premium shall be payable to the Government in respect of such lease.

4. Upon receipt of the notice the Government as to any lands included in the notice which are not in the possession or under the actual and immediate control of the Government and as to any houses buildings or erections included in the notice shall [unless within two calendar months from the receipt of the notice the Government shall give to the Company a counter-notice (hereinafter called the counter-notice) that they deem it inexpedient on grounds either of public or of private policy that the Company should acquire such lands houses buildings or erections or any part thereof] forthwith at the expense and cost of the Company proceed to take all necessary and proper steps and make all necessary arrangements for the expropriation of all tenants and occupiers of and all other persons claiming any right title or interest to or in such lands houses buildings and erections with a view to giving and shall give possession to the Company as soon as possible of so much of the lands houses buildings and erections included in the notice as shall not be included in the counter-notice and shall upon giving such possession to the Company at the cost and expense of the Company but without charging any fine or premium therefor grant a lease of the same lands houses buildings and erections to the Company as from the date of the notice for all the residue then to come of the term hereby granted upon the terms and conditions upon which the lands described in the second part of the First Schedule hereto are hereby demised.

5. The Company shall be liable for and shall forthwith pay to the Government all sums which the Government may be liable to pay and shall actually pay by way of compensation for disturbance or otherwise in respect of the expropriation of such tenants occupiers and persons as in the last preceding clause mentioned and the Government shall not be bound to grant any lease of the lands included in the notice until all such sums as aforesaid shall have been fully paid and discharged by the Company.

6. If any dispute question or difference shall at any time arise as to the quantity or position of the lands included in any such notice as aforesaid or whether it is necessary or expedient that the Company should acquire such lands houses buildings and erections or any part of them or as to the purposes for which such lands are required or otherwise as to the validity of the notice and rights of the Company under the notice or as to the validity of the counter-notice or the grounds of inexpediency therein stated or as to

the amount of compensation to be paid by the Company under the last preceding clause hereof such dispute question or difference shall be settled by arbitration under the Arbitration Clause hereinafter contained.

7. No part of the lands to be acquired by the Company in pursuance of any such notice as in the second clause hereof mentioned shall be taken for smelting or any other purposes than those mentioned in Clause 2 hereof and the getting and carrying away the minerals and other substances hereby demised unless the Government shall in writing previously consent thereto.

8. The Government will forthwith evacuate and give vacant possession to the Company of all and every part of the lands secondly hereinbefore expressed to be hereby demised which are in the possession or under the immediate control of the Government and also will forthwith take all necessary and proper steps and proceedings at the cost of the Company for the purpose of expropriating from every part of the said lands not in the possession or under the immediate control of the Government all tenants and occupiers thereof and all persons claiming any right or title thereto and forthwith giving and will as soon as practicable give vacant possession of all the said lands to the Company. The Company shall be liable for and shall forthwith pay to the Government all sums which the Government may be liable to pay and shall actually pay by way of compensation for disturbance or otherwise in respect of such expropriation to such tenants occupiers and persons as aforesaid PROVIDED ALWAYS that the Company shall not be liable to pay to the Government any compensation in respect of any lands evacuated by the Government or any compensation which may be paid by the Government for disturbance or otherwise in respect of the expropriation from any of the said lands of any tenants or occupiers or other persons claiming under the Government by virtue of any grant lease agreement or other document or arrangement made executed or entered into subsequently to the Thirtieth day of June One thousand nine hundred and twenty-five

9. Without prejudice to Clause 4 hereof the mines and minerals hereby demised are demised and the rights and privileges of working the same hereby granted are granted subject to the rights estates and interests of all owners tenants and occupiers of and all persons claiming any right title or interest to or in the surface lands over and upon the said demised mines and minerals other than the surface lands described in the second part of the First Schedule hereto AND the Company will at all times during the said term compensate all such owners tenants occupiers and persons as aforesaid for any injury or damage which may be caused to them by the workings on

the part of the Company of the said demised mines and minerals and will at all times keep the Government fully indemnified against all claims demands actions and proceedings by any of such owners tenants occupiers and persons as aforesaid in respect of any such injury or damage.

10. The Company shall have liberty to search for sink drive free from water ventilate and work the mines and to search for win get convert manufacture carry away sell and dispose of the minerals and mineral and other substances hereby demised AND for all or any of the purposes aforesaid the Company shall have liberty in upon or under any part of the demised premises and either permanently or temporarily to sink erect make maintain and use any pits shafts inclines adits and other openings spoil banks engine-houses storehouses workshops forges dwelling-houses or other buildings coke ovens charcoal works stoves kilns compressed fuel works and in upon or under any of the demised premises any roads bridges railways sidings and junctions (but as to railways sidings and junctions not so as to conflict with the rights of the Government's Guaranteed State Railway Company or any other Railway Company) tramways telegraphs reservoirs watercourses fences drains cuts canals aqueducts basins wharves cuttings embankments towing paths and in upon or under any of the demised premises to erect and place any engines and other machinery plant and appliances and to deposit bank make into coke burn convert and manufacture the produce of the said mines and minerals hereby demised and to construct make maintain and do all other works and things which may be necessary or expedient and to use (without paying any royalty therefor) as materials for any buildings railways tramways or other works hereby authorised to be erected or constructed by the Company in connection with the said mines any stone lime slate brick earth clay gravel sand or other materials or substances which shall be gotten or won by the Company in the course of sinking searching boring or otherwise exploring or excavating for the mines and minerals hereby demised and with the consent of the Government first had and obtained to execute any of the above works in under or upon any adjoining or neighbouring lands AND the Company shall also have liberty with the previous consent in writing of the Government (but should the Government withhold such consent they shall not be bound to furnish any reason for so doing) for the purpose of searching for coal by means of boring to enter upon and use any adjoining or neighbouring lands which on the Thirtieth day of June One thousand nine hundred and twenty-five were or hereafter during the continuance of the term hereby granted shall be in the actual possession or under the immediate control of the Government without making or paying any compensation to the Government therefor AND also any adjoining or neighbouring lands which were not on the Thirtieth day of June One thousand nine

hundred and twenty-five and shall not for the time being be in the actual possession or under the immediate control of the Government upon making such arrangements as to compensation and otherwise with the owners occupiers and tenants as may from time to time be agreed upon by and between the Company and such owners occupiers and tenants respectively AND the Company shall have free ingress and egress so far and in such directions as may be necessary or convenient for the proper working of the said mines and minerals for all persons and things authorised by the Company in that behalf to and from the said mines and works with locomotive engines animals wagons trucks carts motors or mechanical tractors barges and boats or otherwise howsoever AND may also cut use or otherwise dispose of any trees timber and underwood growing or being on any part of the surface lands for the time being demised to the Company. The Company shall not make any payment in respect of any of the matters things or works by this clause authorised to be done or constructed other than the rents and royalties reserved by these presents PROVIDED ALWAYS that the Company shall not by or in the exercise of any of the rights and liberties aforesaid let down or cause to subside the surface of any land not for the time being actually demised to the Company other than land which was on the Thirtieth day of June One thousand nine hundred and twenty-one or shall hereafter during the continuance of the term hereby granted be in the actual possession or under the immediate control of the Government (any or which last mentioned lands the Company may let down or cause to subside without making or paying compensation to the Government thereon) without making such arrangements as to compensation and otherwise with the owners occupiers and tenants for the time being of the lands so let down or caused to subside as may from time to time be agreed upon by and between the Company and such owners occupiers and tenants respectively AND PROVIDED ALWAYS further that the Company shall not save as hereinbefore expressly mentioned exercise all or any of the rights and liberties in this clause mentioned other than the right of ingress and egress aforesaid over the surface of any lands other than those which are described in the second part of the First Schedule hereto and secondly hereinbefore expressed to be hereby demised and those which may be hereafter acquired by and leased to the Company under the provisions hereinbefore contained.

11. The Company shall have liberty in or upon the surface of all or any of the demised premises to drive make erect maintain and use any levels drifts tunnels airways inclined planes railways tramways roads drains steam engines pumps and underground works whatsoever which the Company shall consider necessary or convenient and may use all underground springs and streams of water in such manner and for such purposes as they may think fit.

12. The Company shall be at liberty with the consent of the Government to use all springs rivers and rivulets in and throughout the territories of and belonging to the Government and to abstract therefrom by means of pipes conduits or watercourses any water which the Company may consider necessary or expedient either for the supply and sanitary needs of the persons employed by them in connection with the mines hereby demised or for working any engines machinery or plant used in connection with or for the purposes of the Company's mining or other operations PROVIDED ALWAYS that the Company shall not except as aforesaid divert or alter the natural channel and course of any such river or rivulet or throw any spoil rubbish or refuse into any such spring river or rivulet.

13. The Company shall be at liberty with the previous consent in writing of the Government to use all ways watercourses rivers and rivulets in and throughout the territories of and belonging to the Government for the purpose of their mining operations either for carrying stores and materials to or for carrying minerals produce and materials away from the demised premises.

14. The Company shall during the subsistence of the term hereby granted keep and maintain in good repair all roads which shall be made and constructed and for the time being in use by them under the liberties and powers hereinbefore given to the Company AND shall at the expiration or sooner determination of the said term break up clear and in the case of agricultural land restore fit for agricultural purposes the sites of any such roads and any such railways sidings or tramways which shall have been so made or constructed as aforesaid as the Government shall not by notice in writing to be delivered to the Company within three calendar months of such expiration or sooner determination require to be left PROVIDED ALWAYS that upon any transfer or surrender under Clause 16 or Clause 43 hereof the Company may in lieu of any further obligation under this clause to repair the same break up clear and in the case of agricultural land restore fit for agricultural purposes the sites of any such roads railways sidings or tramways as aforesaid which by reason of such transfer or surrender shall have become useless or unnecessary to the Company and which the Government shall not by notice in writing to be delivered to the Company within three calendar months from such transfer or surrender require to be left And thereupon all further liability to repair such roads shall cease and determine.

15. There are hereby reserved to the Government during the said term hereby granted by way of rent for all the premises hereby demised and hereafter to be demised under the provisions

hereinbefore contained the royalties specified in the Second Schedule hereto calculated and payable as from the date and at the times and in the manner therein expressed and except as hereinafter by Clause 17 provided no further rent or royalty shall be payable by the Company to the Government in respect of any of the premises hereby demised or hereafter to be demised as aforesaid.

16. The Company shall if threatened with loss by the coal obtained from the mines hereby demised being unsaleable or saleable only at a loss be at liberty by giving to the Government twelve calendar months' notice in writing expiring on any First day of January of their intention so to do to transfer and surrender to the Government such part of the said demised mines and minerals as they are unable to work profitably.

17. The Company will in every year on or before the day or days for the time being fixed by the Government for payment thereof during the term hereby granted pay to the Government in respect of all surface lands described in the second part of the First Schedule hereto and also in respect of all premises which may under the provisions hereinbefore contained be acquired by and demised to the Company except such parts thereof respectively as shall for the time being have been surrendered the rate of land assessment usually payable for the time being to the Government in respect of similar lands situate in the dominions of the Government.

18. The Company will during the said term pay to the Government the royalties specified in the Second Schedule hereto on the days therein prescribed for payment thereof.

19. If the Company shall not in any year commencing at the expiration of two years from the date of these presents work get and win such a quantity of the coal hereby demised as according to the royalties specified in the Second Schedule hereto will produce the amount of dead rent to be fixed by the Mining Board to be constituted in the manner provided by Clause 11 of the Concession at the expiration of two years from the date of these presents (hereinafter called "the dead rent") the Company will on the First day of March in the year

and in every subsequent year pay to the Government such a sum as together with the royalties payable in accordance with the terms of the Second Schedule hereto will amount to the dead rent for one year in the same manner as if a quantity of coal sufficient according to the said royalties to produce that sum had been actually worked got and won PROVIDED ALWAYS that if in any year the amount of such royalties shall equal or exceed the amount of the dead rent for that year the dead rent shall not be payable

in respect of that year but if the amount of royalties payable for any year shall be less than the amount of the dead rent for one year then only so much of such dead rent shall be payable as will be required to make up the deficiency between the amount of the royalties payable for that year and the amount of the dead rent PROVIDED FURTHER that if the Company shall make any such transfer and surrender as mentioned in Clause 16 hereof or shall under the provisions of Clause 43 hereof surrender any part or parts of the said demised mines the dead rent shall (if it shall be so decided under the Arbitration Clause hereinafter contained) be reduced and the amount of such reduction (if any) shall in case of difference be determined by arbitration under the Arbitration Clause hereinafter contained.

20. The Company will maintain in good order and repair to the satisfaction of the Government all buildings plant machinery and works erected constructed or used by the Company during the subsistence of the said term (if and so long as the same are serviceable for the purposes of the undertaking) except such buildings plant machinery and works as shall have been erected constructed or used exclusively for the purposes of or in connection with any part of the mines hereby demised which shall have been worked out or become incapable of being worked at a profit or which shall have been transferred and surrendered under the provisions of Clause 16 hereof or shall have been surrendered under the provisions of Clause 43 hereof PROVIDED ALWAYS that the provisions of this clause shall be subject and without prejudice to the rights conferred upon the Company by Clause 38 hereof.

21. If and whenever the following Railways now contemplated or in course of construction are completely constructed and in operation and capable of transporting mineral traffic to the necessary extent that is to say :—

- (1) A Railway from Hyderabad to Warangal
- (2) A continuation of the same Railway from Warangal to the Southern frontier to the State of Hyderabad at or near Bezwada
- (3) A continuation of the first-named Railway from Warangal to the Northern frontier of the said State at or near Chanda

the Company shall sell to the said Railway and the above-named continuations thereof at special rates which shall not be less than Thirty per centum below the rates of sale to the outside public so much coal as will with the coal supplied by the Company or by any other Company or Companies being sub-lessees of or assignees from or licensees under the Hyderabad (Deccan) Company Limited be sufficient for the *bona fide* requirements of the traffic on the said Railway Numbered 1, 2 and 3 above provided that the owner or owners of the said Railway

and its said continuations shall enter into a separate Agreement with the Company to carry the produce of the mines of the Company at Thirty per centum below the ordinary quotations for the same classes of traffic.

22. The Company shall not at any time during the subsistence of the said term keep any armed retainers. If any further or other protection than is afforded by the special police to be provided and maintained as in Clause 39 hereof mentioned shall at any time be required by the Company the Government shall forthwith upon application being made by or on behalf of the Company supply at the cost of the Government all such further and other protection as may be necessary.

23. Neither the Company nor any of its servants other than natives of India shall have and such servants being natives of India shall not by the permission or sufferance of the Company have during the subsistence of the said term any monetary transactions with the Government or with the nobles jagirdars jemadars zamindars or with any of the officials of the Hyderabad State other than and except such monetary transactions as are provided for by or are incidental to these presents or the sale of the coal or other produce obtained under or by virtue of these presents.

24. The Company shall not assign underlet or part with the possession of the demised premises or any part thereof without the consent in writing of the Government for that purpose first had and obtained which consent the Government hereby agrees shall not be withheld unless the proposed assignee or lessee be not considered sufficiently solvent.

25. The Company will during the subsistence of the term hereby granted after any section of railway is opened within a reasonable distance of the area hereby demised in the best and most effectual manner and to the utmost and on the most approved principles and with due provision for drainage and ventilation of mines and for the security of life and the maintenance of the value of the property and without intermission except when prevented by insuperable accident work win get and raise all the mines minerals and substances hereby demised (except such as shall not be capable of being worked to benefit) so far as is consistent with the provisions of Clause 27 hereof AND will at all times during the said term fairly and diligently use their best endeavours to work win get and raise the same and to sell and dispose of the same to the best advantage of both parties.

26. The Company shall not commit within the mines hereby demised any wilful act whereby the mines hereby demised or any other mines or minerals lying and being under the mines hereby demised and reserved to the Government may during the subsistence of this lease be rendered unworkable by water or foul air or whereby the working of such mines or minerals may be prevented.

27. The Company shall not permit or suffer any subterraneous or other excavations except roads and ways properly supported to be made under any dwelling-house or building erected before the date of these presents which shall not for the time being be in the possession or occupation of the Company or within such distance from any such dwelling-place or building as shall in each case and from time to time be fixed by the Government mining engineer for the time being or any works or operations whatever which shall be reasonably calculated or likely to structurally damage any such dwelling-house or building PROVIDED ALWAYS that this Clause shall not apply to cases where the Company shall be ready and willing to take such dwelling-house or building at a fair valuation to be determined if necessary by valuation under the Arbitration Clause hereinafter contained.

28. The Company shall not without the previous consent in writing of the Government for that purpose first had and obtained remove or suffer to be removed from the premises for the time being in the possession of the Company or any part thereof any minerals or other substances raised or gotten from the mines hereby demised for the purpose of sale or otherwise or use or convert for any purpose or consume any such minerals or other substances until the particulars thereof have been duly entered and recorded in the Company's books for the purpose of ascertaining the amount of the royalties payable in respect of such minerals and other substances.

29. The Company will at its own expense during the said term erect and continue at the place or each of the places where any coal minerals or other substances to be gotten during the said term out of the mines hereby demised shall be raised or brought to the surface one or more machine-house or houses and keep the same in good repair and set up and continue a weighing machine or machines with proper standard weights of His Exalted Highness's State or such other weights as may be necessary or convenient in the machine-house or houses so to be erected AND will at all reasonable times permit any officers and workmen appointed by the Government in that behalf to have free access to such machine or machines and weights and make use of prove and regulate the same AND will keep the same in good repair and at

the like expense provide proper persons to superintend the same AND will cause all the coal minerals and other substances which shall be gotten from the demised premises (whether the same shall be taken away and sold or disposed of or otherwise used or consumed) to be duly weighed AND will cause the weights of all such coal minerals and other substances distinguishing each of the same and the different classes and qualities of each to be from time to time entered in proper books of account to be provided for that purpose by the Company and to be kept at the office where such coal minerals and other substances shall be raised or brought to the surface and will not remove consume or dispose of any coal minerals and other substances until so weighed and entered AND will permit any persons from time to time appointed in that behalf by the Government at all reasonable times to have free access to the said machine-house or machine-houses and office and to inspect cast up and examine the said books entries and accounts and take extracts or copies of the same AND will permit any person from time to time appointed in that behalf by the Government to be present when the said coal minerals and other substances shall be weighed and also from time to time as often as such persons shall think proper to weigh and take account of all such coal minerals and other substances and for that purpose to have the use of the said machines and also the help and assistance of any of the servants or workmen there employed and the use of the horses wagons trucks carts and other carriages ropes tackle and other implements and other machinery employed in and about any of the Company's premises without making any compensation for the same but not unreasonably hindering the servants or workmen of the Company.

30. The Company will on the last day of every third calendar month during the continuance of the said term settle and make up full true and particular accounts of all coal minerals and other substances gotten and raised from the mines hereby demised and of all sales thereof respectively with dates names weights prices and all such particulars as the Government shall from time to time require.

31. All accounts necessary for ascertaining the rents and royalties payable hereunder shall be kept in such form as the Government shall from time to time prescribe and in local currency and all local accounts shall be kept in local currency and a true statement of all such accounts shall be submitted yearly by the Company to the Government.

32. In case any of the following classes of minerals and substances shall be raised and gotten from the premises first hereinbefore expressed to be hereby demised the Company shall keep or cause to be kept separate accounts in respect of each of them that

is to say—(A) gold and silver (B) iron ore and stone (of which each separate quality is to be in a separate class as if separately here specified) (C) precious stones (D) mineral oils (E) alum (F) pottery earth (G) fire-clay (H) limestone (I) all other clays metals minerals and mineral substances intermixed with and usually and properly worked with the said mines beds seams veins and deposits of coal hereby demised (each to be classified separately).

33. The Company will at all times during the said term keep and will on the First day of March in each year of the said term if required deliver to the Government true and correct plans and sections made and corrected up to the end of the last preceding year of the mines hereby demised and of all the workings thereof and of all seams veins or lodes which shall have been discovered therein upon which plans and sections the extent position and actual condition of the Company's works shall be accurately set forth and delineated. Such sections shall be made to the scale of twenty feet to an inch and the plan of the workings to the scale of one hundred feet to an inch and such sections and plans shall be kept at the counting-house of the Company on the demised premises.

34. All such plans and sections as in the last preceding clause mentioned and all books accounts documents vouchers and papers relating to any operations under this lease so far as the Government are interested therein respectively under these presents and also all the mines and works of the Company shall at all reasonable times be open to the inspection of any person or persons duly authorised from time to time in that behalf by the Government but not exceeding a reasonable number of persons at any one time and free access and all reasonable facilities for inspecting and taking copies of or extracts from such plans sections books accounts documents vouchers and papers and for inspecting measuring and testing such mines and works and all information in connection therewith which shall be required by such person or persons shall be afforded to such person or persons by the Company their agents servants and workmen PROVIDED ALWAYS that the exercise of all or any of the rights by this clause given to the Government shall be conducted at reasonable hours in the daytime and in such a manner as shall not interfere more than is reasonably necessary with the operations and works of the Company.

35. The accounts so far as the Government are interested therein under these presents may be audited half-yearly by any duly authorised agent or agents for the time being of the Government and such agent or agents shall for that purpose have power to call for all such books accounts documents vouchers plans and sections

as he or they may *bona fide* think necessary for the verification or elucidation of such accounts.

36. The Company will from time to time and at all times during the term hereby granted properly and securely fence off and keep fenced off from the adjoining lands by means of a substantial post and rail fence at least four feet in height or some other fence sufficient to protect the public or their cattle sheep or other animals from straying into the same all pits shafts machinery railways sidings tramways and other works used by the Company in connection with the said demised mines AND will within six calendar months next after any pit or shaft shall have been permanently disused cover the same with a good and substantial arch of brickwork or masonry to the satisfaction of the Government or their mining engineer AND will within six calendar months next after the First day of January in every year either fill up stop and level such parts of the surface lands for the time being in the possession or occupation of the Company as shall no longer be required by the Company (except such parts thereof as the Government may by notice in writing require not to be filled up stopped or levelled) or make due compensation to all persons other than the Government affected by the failure or omission of the Company to fill up stop or level the same AND will cause the whole of the surface lands which may at any time during the said term have been used or occupied by the Company to be filled up stopped or levelled within six calendar months next after the end or sooner determination of the said term (except such parts of the said lands as the Government may by notice in writing delivered prior to such end or sooner determination require not to be filled up stopped or levelled) AND will within the same six calendar months either reinstate and restore such part of the lands so to be filled up stopped or levelled as were prior to the Company's user or occupation of the same cultivated or used for pasture to a state fit for cultivation or pasture respectively or make due compensation to all persons other than the Government affected by the failure or omission of the Company so to reinstate and restore the same.

37. At the expiration or sooner determination of the term hereby granted the Company will deliver up to the Government all the demised premises and all premises which may hereafter be demised to the Company under the provisions hereinbefore contained together with all erections and buildings then standing and being thereon or on any part thereof and all fixed machinery and fixtures (except such as are hereinafter authorised to be removed or disposed of by the Company) in good and substantial repair and working order and in all respects in such state and condition as shall be consistent with the due performance and observance of the

covenants herein contained (except so far as shall be otherwise agreed upon between the Company and the Government) and as shall be consistent with all agreements between the Company and the Government.

38. The Company shall not during the last year of the said term or at or after the expiration or sooner determination thereof without the licence in writing of the Government for that purpose first had obtained take down or remove any buildings or erections fixed and machinery or fixtures standing or being on any part of the demised premises or any premises which may hereafter be demised to the Company under the provisions hereinbefore contained And shall not during any part of the said term without such licence as aforesaid take down or remove any such buildings erections fixed machinery or fixtures as aforesaid unless and except so far as the same shall have ceased to be serviceable for the purposes of the undertaking or except for the purpose of replacing the same respectively by other buildings erections fixed machinery or fixtures of equal or superior utility PROVIDED ALWAYS that it shall be lawful for the Company at or within six calendar months after the expiration or sooner determination of the said term or after any transfer and surrender of part of the said premises under Clauses 16 or 43 hereof to sell by auction or private contract and either on or off the said premises and to remove all engines machinery rails sleepers ropes plant and materials belonging to the Company and used in or about the said premises or the part of the said premises so transferred and surrendered respectively the Company first offering to the Government the option (which if not accepted by the Government within three calendar months after being offered shall be deemed to have been refused) of purchasing all or any part of the said engines machinery rails sleepers ropes plant and materials as the same shall stand and be in upon and about the said premises at such a price as shall be agreed upon between the Company and the Government and in default of such agreement at such a price as shall be fixed by arbitrators under the Arbitration Clause hereinafter contained AND the Company shall not remove or sell to any other person any of the said engines machinery rails sleepers ropes plant and materials which the Government shall desire to buy at such price as aforesaid unless the Government shall fail to complete the purchase of the same within six calendar months after such option shall have been offered to them.

39. A special police shall if required by the Company be appointed by the Government to enforce order between the servants of the Company while engaged in any operations connected with this lease and the subjects of the Government and the cost of such police force shall be borne in the following proportions—that is to say

three-tenths by the Government and seven-tenths by the Company. Such police force shall be placed and shall at all times be and remain under the orders of an officer of the Government.

40. All machinery plant utensils and other stores and supplies required for mining purposes ordered or required by the Company for the purpose of executing any works either temporary or permanent or carrying on the works and operations incident to or in connection with this lease shall be admitted into and carried through the territories of the Government free of all fiscal charges and duties whatever for the time being payable either to the Government or to any local authorities or other persons claiming under the Government by virtue of any title accrued subsequently to the Seventh day of January One thousand eight hundred and eighty-six AND all coal minerals and other substances shall be carried through and exported out of the same territories free of all such fiscal charges and duties And if at any time hereafter any such fiscal charges or duties as aforesaid are imposed upon the carriage import or export of any of the articles or things aforesaid the rents and royalties by these presents reserved shall be accepted by the Government in satisfaction and discharge of all such charges and duties. IT BEING THE TRUE INTENT AND MEANING of these presents that the rents and royalties hereby reserved shall be in full satisfaction and discharge of all fiscal charges and duties now or hereafter chargeable or imposed under the Law of the dominions of the Government for the time being in force on or in respect of all or any part of the mines minerals and other substances hereby demised and raised or gotten from the demised premises or any part thereof or on the Company in respect thereof except the rate of land assessment usually payable in respect of similar lands in the dominions of the Government.

41. If at any time hereafter during the continuance of the term hereby granted the rates charged by any State Railway guaranteed by the Government for the freight of any such minerals or mineral substances as are hereby demised whether in their raw state or manufactured shall by agreement between the Government and such Railway be raised or altered so as to exceed the rates at the date of these presents charged by the Great Indian Peninsular Railway for similar freight then and so often as the same shall happen it shall be lawful for the Company to refer under the Arbitration Clause hereinafter contained the question whether any and if any what modification diminution or alteration ought to be made in the royalties hereby reserved by reason of such raising or alteration of the rates as aforesaid.

42. It shall be lawful for the Company to surrender this lease at any time upon giving to the Government twelve calendar months'

notice in writing of their intention so to do (such notice to expire on any First day of January) And at the expiration of such notice and provided the Company shall upon such expiration pay all rent royalties and other moneys which may be then due and payable under these presents to the Government this present lease and the liberties licences and powers hereby granted (subject nevertheless to the rights of the Company under Clause 38 hereof) and all future liability of the Company shall cease and determine but without prejudice to any right of action or remedy which shall have accrued to the Government in respect of any breach of any of the covenants or provisions herein contained.

43. If the Company shall discontinue or at any time hereafter shall neglect or omit or permit or suffer to be neglected or omitted the working of any of the mines hereby demised which shall have been opened or worked by the Company but shall not be desirous or willing to surrender this lease under the provisions of the last preceding clause it shall be lawful for the Company at any time upon giving to the Government twelve calendar months' notice in writing of their intention so to do to surrender any part of the demised premises or the premises which may hereafter be demised under the provisions hereinbefore contained without the remainder of the said premises but so that any such surrender shall include so much of the surface lands hereby or hereafter to be demised as shall not be necessary or expedient for the working of the part of the demised mines retained by the Company AND upon the expiration of such notice and provided the Company shall upon such expiration pay all rents royalties and other moneys which may then be due and payable under these presents to the Government this present lease and the liberties licences and powers hereby granted (subject nevertheless to the rights of the Company under Clause 38 hereof) and all future liability of the Company shall cease and determine so far as regards the part of the said premises so surrendered but without prejudice to any right of action or remedy which shall have accrued to the Government in respect of any breach of the covenants and provisions as to the part so surrendered and also without prejudice to the covenants and provisions herein contained and to the rights and liabilities of the Company and the Government respectively hereunder in respect of all such parts of the said premises as shall not have been surrendered And the Company shall thereupon grant to the Government all such powers easements and rights as may be necessary or expedient for efficiently and conveniently working and developing the premises so surrendered and consistent with the efficient and convenient working and development by the Company of the premises not surrendered.

44. PROVIDED ALWAYS and these presents are upon this express condition that if and whenever any part of the rent

royalties or assessment hereinbefore reserved or made payable shall be in arrear for three calendar months whether the same shall have been legally demanded or not or if and whenever the Company shall discontinue working for any twelve consecutive calendar months any of the demised mines upon which active mining operations and works shall at any time have been commenced by the Company and which shall not before the expiration of such period of twelve months as aforesaid from the discontinuance of working the same have been transferred or surrendered under the powers hereinbefore contained or if the Company shall be wound up or cease to exist or if and whenever there shall be a breach or non-observance of any of the covenants and conditions on the part of the Company herein contained and the Company shall fail to make pecuniary compensation to the satisfaction of the Government for such breach or non-observance it shall be lawful for the Government to re-enter upon any part of the demised premises in the name of the whole and thereupon the term hereby granted shall absolutely cease and determine without prejudice nevertheless to the recovery of such of the rents royalties and assessments hereby reserved and made payable as shall then be due or owing and without prejudice to any right of action or remedy which shall have accrued to the Government in respect of the breach or non-observance of any of such covenants and conditions as aforesaid AND such right of re-entry may be exercised by the Government notwithstanding the waiver by the Government of any prior forfeiture or forfeitures.

45. The Company paying the rent royalties and assessments hereby reserved and made payable at the times and in the manner hereinbefore appointed for payment thereof respectively and performing and observing all the covenants and conditions on the part of the Company herein contained may peaceably and quietly hold use occupy and enjoy the demised premises subject as hereinbefore expressed during the said term hereby granted without any interruption or disturbance by the Government or any person lawfully claiming any estate in the demised premises or any part thereof through or under the Government.

46. If the Company shall with the previous consent of the Government for that purpose first had and obtained assign the demised premises or any part thereof and shall at the Company's expense procure the assignee or assignees to execute and deliver to the Government a deed or deeds of covenant binding the assignee or assignees to perform and observe all the covenants and obligations and conditions on the part of the Company herein contained (or in the case of an assignment of part only of the said premises so far as such covenants obligations and conditions relate to such part) on the terms and conditions herein contained then the Company shall

be discharged from all further liability to the Government under these presents or in the case of an assignment of part only of the demised premises from all liabilities in respect of the part so assigned AND such liabilities may be apportioned as may be agreed upon between the Company and the Government or in default of such agreement as may be determined by Arbitration under the Arbitration Clause hereinafter contained and the subsequent winding up of the Company or its ceasing to exist shall not give the Government any right of re-entry under Clause 44 hereof upon the demised premises or in the case of an assignment or assignments of part only of the said premises having been made upon the part or parts included in such assignment or assignments.

47. All notices to be given under or with reference to these presents or anything done or to be done thereunder shall be in writing and on the part of the Government shall be under the hand of one of the secretaries or other proper officer of the Government and shall be addressed and delivered to the Company's principal representative for the time being in the Government's territories or shall be left so addressed at the principal counting-house of the Company on the demised premises and on the part of the Company shall be under the hand of such principal representative and shall be addressed and delivered to or left at the office of one of such secretaries or other proper officer.

48. If any question shall hereafter arise between the Government and the Company as to whether any coal and other minerals and substances hereby demised are or are not capable of being worked to benefit within the meaning of Clause 12 subclause (viii) of the Concession either by the Company or otherwise such question shall in default of agreement between the parties to these presents be determined by arbitration in manner hereinafter provided but in coming to their decision the Arbitrators or their Umpire shall have regard to the nature or class of mineral or mineral substance to be won and the actual or reasonably available means of access to the available markets for the produce of the area included in this demise and all other material circumstances and nothing herein contained shall prejudice the right of the Company to transfer to the Government under the terms of Clause 11 of the Concession any mine or mines or area or areas which they may find that they are unable to work profitably.

49. If any dispute question difference or controversy shall arise between the Government and the Company concerning these presents or any clause or thing therein contained or the construction thereof or the amount of compensation to be paid thereunder or any matter or thing to be done thereunder or in any way connected

with these presents or the operation thereof or the rights duties or liabilities of either party under or in connection with these presents or in relation to any matter hereinbefore referred to arbitration under this clause then and in every or any such case or dispute the matter in difference shall be referred to a Board of Arbitration one member of which shall be appointed by the Government and the other by the Company AND the duty of the said Board shall be to inquire into and equitably adjust and determine the same and if the Board shall be unable to do so by reason of difference of opinion among the members thereof or for any other reason the matter in difference shall stand referred to an Umpire to be appointed by the members of the said Board acting in mutual agreement in each case before they proceed to arbitration or in case the Board shall not within twenty-eight days after the dispute or difference shall have been referred to them have appointed the said Umpire the appointment of an Umpire may be made upon the application of either party by His Majesty's Secretary of State for India and the decision of such Board or in the event of their not arriving at a decision as aforesaid the decision of such Umpire shall be final and binding upon both parties and no appeal shall lie therefrom AND upon every such reference the Board of Arbitration and Umpire shall respectively have power to examine witnesses upon oath or affirmation and to fix settle and determine the amount of the costs of and incidental to the reference and award respectively to be paid by both parties or by either party and to direct and award when and by whom such costs shall be paid and such Arbitration shall unless either party shall otherwise require under the proviso hereinafter contained be conducted in India in accordance with the law for the time being in force in British India with regard to Arbitrations provided always that either party shall have the right to require that any such Arbitration shall be conducted in England in which case the Arbitration shall be conducted in England in accordance with the Arbitration Act 1889 or any statutory extension or modification thereof for the time being.

IN WITNESS whereof

IN WITNESS whereof Raja Rajayan Rajah Sir Kishen Pershad Maharaja Bahadur Yaminus Sultanat, G.C.I.E. President of the Council of His Exalted Highness the Nizam acting for and on behalf of the Government of His Exalted Highness the Nizam has hereunto and to a duplicate hereof affixed the Seal of State of His Exalted Highness' Government and the said Hyderabad (Deccan) Company Limited have hereunto and to a duplicate hereof caused their Common Seal to be affixed the day and year first above written.

The Seal of State of the Government of His Exalted Highness the Nizam was hereunto affixed by the undersigned

Sd/- Kishen Pershad
Yaminus Sultanat.

Seal of
H.E.H. the Nizam's
Government.

President of the Council of the
Government of His Exalted
Highness the Nizam in the
presence of

1. Sd/- Samad Yar Jung.
2. Sd/- Khurshid Mirza.

The Common Seal of the Hyderabad (Deccan) Company Limited was hereunto affixed at Hyderabad on the 7th February 1927 in the presence of W.H. Ruddle a Director of Messrs. Best & Co. Ltd. the duly constituted attorney and Agents of the Hyderabad (Deccan) Company Limited and in pursuance of a resolution of the Directors of the said Hyderabad (Deccan) Company Limited passed at a meeting held at Hyderabad on the 15th December 1926.

Seal of the
Hyderabad (Deccan)
Company Limited
State of Hyderabad
1886.

Sd/- W.H. Ruddle.

THE FIRST SCHEDULE ABOVE REFERRED TO.

THE FIRST PART.

The Chinur Coal Fields include and comprise all the area containing any beds seams veins or deposits of coal lying and being under the land delineated on the map marked A hereto annexed and thereon coloured red and any beds seams veins or deposits of coal which are parts or branches of or form a continuation or extension in any direction of the beds seams veins or deposits of coal lying and being under the said land whether such continuation or extension shall or shall not be interrupted by faults dislocations slips hitches heaves or troubles.

THE SECOND PART.

Any pieces or parcels of land situate lying and being in the Dominions of His Exalted Highness and within the boundaries of the area delineated on map A referred to in the first part of this Schedule which shall be found to be necessary or convenient for spoil banks for the purpose of entrances to inclines and pits railway stations officers' bungalows clerks' quarters coolie lines boiler and engine houses workshops stores and other buildings depositing the output from the said demised mines and premises or for constructing buildings roads or works for carrying on mining operations under this Lease the quantity and position of such lands to be determined in case of dispute by arbitration under Clause 49 hereof Provided that no surface land shall be taken for smelting or any other purposes than those specified above unless by special arrangement with the Government.

THE SECOND SCHEDULE ABOVE REFERRED TO.

There shall be paid by the Company to the Government on the 1st day of March in the year following the date hereof and on every subsequent 1st day of March in every year during the continuance of the term created by these presents and also on the 1st day of March next after the expiration or other sooner determination of the said term royalties in respect of the then preceding year (hereinafter called "the year") at the rates and calculated in the manner following that is to say : The Company's receipts for coal during the year after deducting brokerage and sales commission for the year shall be divided by the amount of the actual output of the year less the amount of coal

consumed by the Company or Colliery works on the demised premises during the year and the result shall be taken to be the sale value of the coal won during the year and the Company shall pay in respect thereof a royalty at the rate of 5 per cent. upon the total amount of such sale value (hereinafter called "the standard royalty") Provided always that the total royalty which shall be paid in respect of any year shall in no case be less than four annas Halli Sicca currency per ton of such output for the year less the amount so consumed during the year (hereinafter called "the minimum royalty") and for this purpose the Company shall in each year pay to the Government the amount of the deficiency (if any) between the amount of the standard royalty for the year and the amount of the minimum royalty for the same year Provided further that the total royalty which shall be paid in respect of any year shall in no case exceed 20 per cent. of the gross profits of the Company for the year (hereinafter called "the maximum royalty") and the Company shall be entitled to retain for its own purposes any amount by which the standard royalty for the year shall exceed the maximum royalty.

There shall also be paid by the Company to the Government on the respective dates aforesaid one-fifteenth part of the net proceeds of any and all sales made by the Company during the then preceding year of all mineral and mineral substances other than coal.

In this Schedule "ton" means "British ton" (of 2,240 lb.) "won" means "raised to the surface" "the then preceding year" means "the year (or in respect of the first year the broken portion of that year) ending on the then last preceding 31st day of December for the time being" and "gross profit" shall be taken to mean the excess of the Company's revenue which is wholly derived from the sale of the mineral or minerals hereinbefore demised over expenditure after all costs and expenses chargeable to actual working and management of the mine shall have been included But neither depreciation, nor amortization nor Directors' fees nor any revenue or expenditure obtained or incurred on account of share or capital transactions or by trading shall be brought into the account. Provided always that the fees of such Director or Directors as may actually direct technical operations may be included in expenditure.

THE GOVERNMENT OF HIS EXALTED
HIGHNESS THE NIZAM

—TO—

THE HYDERABAD (DECCAN) COMPANY
LIMITED.

Lease

OF THE CHINUR COAL FIELDS.

Dated , 192 .

KENDALL, PRICE & FRANCIS,
61 Carey Street,
Lincoln's Inn,
London W.C.2.

PROSPECTING LICENSE,

Dated 17th Dai 1333 Fasli,
22nd November 1923.

GRANTED TO

SIR FAZULBHOY CURRIMBHOY, Kt. C. B. E.

FOR

COAL & IRON

OVER THE DISTRICTS OF

Asafabad, Karimnagar and Warangal.

Prospecting License granted this Seventeenth day of Dai 1333 Fash by HIS EXALTED HIGHNESS THE NIZAM'S GOVERNMENT to SIR FAZULBHOY CURRIMBHOY of Bombay hereafter called THE LICENSEE

Whereas THE LICENSEE has, in accordance with the Rules in force in His Exalted Highness the Nizam's Dominions, regarding the grant of Prospecting Licenses, with certain special conditions, applied for a license to prospect for minerals in the three districts of ASAFABAD, KARIMNAGAR and WARANGAL, excluding the areas held by the Hyderabad (Deccan) Company, containing 19,610 square miles or thereabouts and has paid the sum of Rs 1,000 being the amount payable by THE LICENSEE on account of this license as provided in Clause IV below :—

1. HIS EXALTED HIGHNESS THE NIZAM'S GOVERNMENT hereby grant to THE LICENSEE exclusive license and liberty to prospect for the marginally noted Minerals in the area aforesaid
(a) **Coal** for a period of THREE YEARS and agree to extend the said period to FIVE YEARS if working during the first
(b) **Iron.** THREE YEARS be found satisfactory.

Provided however THE LICENSEE shall always be controlled by (a) a British subject or subjects or a British Company or Corporation, or (b) by subjects of the Hyderabad State or a Company or Corporation consisting of subjects of the State.

2. THE LICENSEE shall be bound to complete prospecting in the ASAFABAD DISTRICT within the first year of the first period of THREE YEARS but a fulfilment of the condition will not by itself constitute a reason for extension of period referred to above. So far as the district of ASAFABAD is concerned not only all prospecting in it will have to be completed in one year but also all mining concessions will have to be demarcated and applied for.

3. The actual areas in which THE LICENSEE would desire to continue prospecting operations during the latter TWO YEARS shall be selected and notified to GOVERNMENT within the first THREE YEARS

4. The fee payable by THE LICENSEE on account of this license is O. S. Rs. 1,000 per annum

5. THE LICENSEE shall be bound to spend a minimum of one and a half lakh of rupees during the first THREE YEARS of prospecting

6 THE LICENSEE shall keep proper accounts and plans and furnish to THE GOVERNMENT full and correct information as to all minerals found or mined and raised in the course of operations under this license and as to the treatment, preparation and disposal of the same, and shall keep them open for inspection by an officer authorised by HIS EXALTED HIGHNESS' GOVERNMENT in this behalf.

7. This license is subject to any vested interests and rights which the public or any person may be entitled to at the time the license was granted in the area assigned thereunder or in any trees crops or other properties standing thereon.

8. In the course of prospecting operations, no occupied or private lands shall be entered upon or disfigured except under agreement with the occupant or owner thereof.

9. THE LICENSEE shall not without obtaining the sanction in writing of the Divisional Forest Officer upon such conditions as that officer may in his absolute discretion prescribe, enter upon or commence prospecting in any State Forest or Land under special protection comprised in the said area.

10 THE LICENSEE shall not cut or injure any tree on unoccupied and unreserved land without the permission in writing of the 1st Talukdar.

11. THE LICENSEE shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the license and shall indemnify THE GOVERNMENT, against all claims which may be made by third parties in respect of any such damage or injury. If the claimant and the licensee cannot agree as to the amount of damage and are willing to refer the matter to arbitration, then it shall be referred to the sole arbitration of the 1st Talukdar of the District, and his decision thereon shall be final. If the claimant or the licensee are unwilling to refer the matter to arbitration then the claimant shall be at liberty to bring a suit against THE LICENSEE in Civil Court.

12. THE LICENSEE shall abstain from all interference with the free use of any tanks, water-course, sacred groves, burial grounds, village sites for houses or grazing lands which may now exist in the said area, and in no way obstruct any road, path or byway of any kind whatsoever in the said areas, and will not do anything which may directly or indirectly injure in any way any

occupied lands or villages, houses or other private property whether in the said area or adjoining thereto.

13. THE LICENSEE shall refrain from carrying on prospecting operations at any point within 50 yards of any Railway, tank or public or private building

14 THE LICENSEE shall forthwith thoroughly and vigorously prospect and examine the said area, and make dig and carry out all necessary trenches, pits and other works and subject to clause 7, 11 and 12 of this license erect such machinery and temporary sheds as are necessary or proper for the efficient prospecting thereof.

15. THE LICENSEE and his duly authorised employees shall be entitled to bring into and afterwards remove from His Exalted Highness' Dominions all such machinery, plant, tools as may be required by him for the purpose of searching, exploring and prospecting the lands under this license but for no other purpose without being required to pay any import or export duty thereon.

16. THE LICENSEE shall pay in the currency of HIS EXALTED HIGHNESS THE NIZAM all salaries or allowances payable by him within the territories of HIS EXALTED HIGHNESS THE NIZAM to persons in his employ.

17. THIS LICENSE or any right or interest in it can only be assigned or transferred with the consent in writing of THE GOVERNMENT and on payment of a fee of Rs. 10.

18. THE LICENSEE shall, within six months next after the determination of the license or the date of abandonment of the undertaking, which ever shall first occur, securely plug any borers and fill up or fence any holes or excavations that he may have made in the land and remove such sheds and machinery as he may have erected and shall restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting.

Provided that this clause shall not apply to any land in respect of which an application for a mining lease is pending.

19. Before the expiry of the full period permitted for prospecting, THE LICENSEE shall be allowed to select for mining purposes areas not exceeding ONE HUNDRED SQUARE MILES for COAL and ONE HUNDRED SQUARE MILES for IRON in single or a number of blocks. THE LICENSEE shall be entitled to the grant

of a mining lease in respect of the block or blocks so selected in accordance with the rules regarding the grant of mining leases. When such mining lease has been granted to THE LICENSEE this license shall immediately cease and determine.

20. A Limited Company will be formed for working all or any mining leases acquired under this agreement and that half the working-capital of the company be reserved for subjects of the State for a period of three months from the inception of the company.

21. THE LICENSEE shall supply all industries within the Hyderabad State Coal, Iron and such other "key products" that may be obtained by him from the Mines leased under this license at a not higher rate than to any similar industry outside the State.

22. THE LICENSEE shall pay a royalty on the metals stated in Column 1 of Schedule attached to this license at the rates shown in Column 3 of that Schedule, if he extracts any of these metals in quantity exceeding what is stated in Column 2 of the said Schedule.

23. THE LICENSEE shall surrender his license as soon as the terms for which it is granted has expired.

24. (a) All operations under this license shall be conducted in accordance with such provisions of the Mining Act and Rules as may be applicable.

(b) The rules regarding grant of prospecting license will apply to this license except in so far as they may be inapplicable by virtue of specific conditions herein provided for being inconsistent with them.

25. THE LICENSEE shall disclose confidentially to the Mining Engineer of His Exalted Highness' Government all information in connection with the said area and the works carried on there and the minerals discovered by him, and furnish any samples which THE GOVERNMENT may ask for. THE LICENSEE shall give every facility to THE GOVERNMENT in inspecting the work carried on in the said area and in taking samples of minerals found, mined, raised or being in or on the same area and any products obtained or prepared therefrom. THE GOVERNMENT will pay a fair price for any samples of intrinsic value.

26. If THE LICENSEE does not commence prospecting before the expiration of six calendar months from the date

carry them on to the reasonable satisfaction of GOVERNMENT, or if there shall be any other breach by THE LICENSEE of any provision in this license contained, THE LICENSEE may be summarily revoked by GOVERNMENT, and thereupon all rights conferred hereby or enjoyed hereunder shall cease.

SCHEDULE.

NAME.	Quantity free of Royalty.	Royalties.
1	2	3
Coal	10 Tons	5 per cent on sale value at the Pits mouth subject to a minimum of O. S. Annas two per Ton.
Iron	10 Tons of Iron Stone ..	One O. S Anna per ton of ore



K. M.

FARIDOON MULK,

President in Council,

H. E. H. THE NIZAM'S GOVERNMENT.

ABDUS SAMAD KHAN,

Secretary,

COMMERCE & INDUSTRIES DEPARTMENT.

ENCLOSURE.

Map of the three Districts of Asafabad,
Karimnagar and Warangal

Mining Lease.



This Indenture made the Seventeenth day of October, 1927 A. D. between HIS EXALTED HIGHNESS THE NIZAM'S GOVERNMENT (hereinafter called "THE GOVERNMENT" of the one part and SIR FAZULBHOY CURRIMBHOY, KT., C. B. E. of Bombay (hereinafter called "THE LESSEE" which expression shall be taken to mean and include the said SIR FAZULBHOY CURRIMBHOY, KT., C. B. E., his heirs, executors, administrators, representatives and assigns except where the context requires another or different meaning) of the other part.

2. WHEREAS the lessee has, in accordance with the rules in force in His Exalted Highness' Dominions, regarding the grant of Mining Leases, and under the Prospecting License issued to him by His Exalted Highness' Government dated 17th Dai 1333 Fasli
22nd November 1923 applied for a lease, and in consideration of a deposit of Rs. 1,000 made by the lessee as security for the due fulfilment of the covenants and agreements on the lessee's part hereinafter contained and which deposit shall be forfeited on any failure thereof, the Government have agreed to grant the mining lease hereinafter contained in respect of the piece of land delineated in the map or plan hereto annexed and situate in Adilabad District estimated to comprise 7-85 square miles named the Kanala Coal Area and particularly mentioned and described in Schedule A hereto annexed and which piece of land is herein after called "the mining block."

3. NOW this Indenture witnesseth that in consideration of the royalties, rents and other payments hereinafter reserved and in consideration of and subject to the covenants and agreements hereinafter contained, the Government do hereby demise and grant unto the lessee exclusive license and liberty to search for mine and raise, render marketable, carry away, sell and dispose of COAL within or under or upon the lands specified in this lease and for the period named herein.

4. Together with the right to enter and occupy and use for mining and metallurgical purposes but for no other purpose so much and such part of the surface of such specified land as may from time to time be assigned to him for that special purpose.

5. To have and to hold the premises hereinbefore expressed to be hereby demised and granted unto the lessee for the term of THIRTY YEARS from the date of these presents; but if the lessee apply for an extension of the period of the lease within twelve months before its expiration, and prove to the satisfaction of the Government that he has fulfilled all the conditions of the lease, it shall be in the discretion of the Government to grant such extension for any further term not exceeding thirty years.

6. A limited company shall be formed by the lessee for working this mining lease and half the working capital of the company shall be reserved for subjects of the State for a period of three months from the inception of the Company.

7. It is also agreed that on the execution of this lease the Government shall assign such surface lands as have been applied for, for the purpose of mining and metallurgical operations after compensation has been paid to all persons (if any) other than the Government interested in such lands, but the Government shall not be bound to assign any lands which shall not be under their immediate control and no land shall be entered upon nor shall any operation be commenced within or under such surface land until all such arrangements have been made and settled and all such compensations paid at the cost of the lessee.

8. It is further agreed that the boundaries below the surface of the area hereby demised shall be considered to run vertically downwards towards the centre of the earth.

9. The lessee shall pay to the Government annually on or before the Seventeenth day of October of each year royalty or royalties at the rate or rates specified in Schedule B of this lease in respect of the particular mineral or minerals for the working of which this lease is granted.

10. The lessee shall pay to the Government annually on or

the expiry of one year from the date of these presents on annual fixed dead rent of Osmania Sioca Rupees 1,256-0-0.

Provided that the lessee shall at no time be liable to pay both royalty and dead rent in respect of this lease but shall pay only one or other of them whichever may be the greater amount.

11. The lessee shall also pay to the Government annually rent for all surface land he may take up for the purpose of mining or metallurgical operations equal to the land assessment rate usually payable in respect of land of similar quality situated in the neighbourhood in His Exalted Highness the Nizam's Dominions.

12. The lessee shall supply all industries within the Hyderabad State with Coal, Iron and such other "key products" that may be obtained by him from the mines leased hereunder at a not higher rate than to any similar industry outside the State.

13. The lessee shall be entitled to erect on the area leased to him such buildings as may be required *bona-fide* for mining or metallurgical purposes, and will throughout the term of his lease keep all such buildings in good order and repair.

14. And the lessee hereby covenants with the Government that the lessee will erect and maintain at his own expense boundary pillars of substantial material standing not less than three feet above the surface of the ground at each corner or angle of the area leased to him as delineated in the plan attached to this lease.

15. And that the lessee shall not be entitled to assign or underlet, or part with the possession of the rights, liberties, licenses of the demised premises or any part thereof by these presents demised and granted without the consent in writing of the Government first had and obtained.

16. And the lessee shall deliver to the Government a copy of every assignment or sub-lease of all or any of the rights, liberties, licenses and premises by these presents demised and granted within two months after the date of such assignment or sub-lease.

17. And will not cut or injure any tree reserved in this lease

18. And will commence mining operations within one year from the date of the execution of this lease and thereafter carry on such operations effectually in a proper skilful and business-like manner, and the lessee shall surrender his lease if he cease to work the mine for a continuous period of one year without the sanction of the Government previously had and obtained.

19. The lessee shall keep correct accounts showing the quantity and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans and sections of the mine, and shall allow any officer authorised by the Government in that behalf at any time to examine such accounts and plans, and shall furnish the Government with such information, plan and returns in respect of aforesaid matter as it may prescribe.

20. And will, on the dates hereinbefore mentioned, pay into the nearest Government Treasury any sums payable to the Government under the terms of this lease and shall within a month of payment forward a duplicate receipt of the Treasury Officer to the Honourable Member for the Mines Department.

21. And will use Osmania Sicca currency in all his transactions in His Exalted Highness the Nizam's Dominions and will pay in Osmania Sicca currency for all articles purchased or services rendered in His Exalted Highness the Nizam's Dominions and will pay his employees their salaries and allowances in the same currency.

22. And will at the expiration or sooner determination of this lease deliver to the Government all buildings standing on the "Mining Block" and without removal of any timbers or supports deliver all mines dug and all shafts, inclines, levels and planes driven or sunk within the demised premises in good and workmanlike order and repair, other than those mines which have been abandoned and disused in the ordinary and fair course of working.

23. And when the lessee in the course of his operations under this lease discovers any mineral other than that for which the lease has been granted to him he shall at once report such discovery to the Honourable Member for the Mines Department and within three months of making such report he shall also inform the said Honourable Member whether he intends to work such other mineral or not.

If the lessee intimates his intention to work such newly discovered mineral then he shall be entitled to a lease in respect thereof in accordance with the rules for the grant of mining leases. If the lessee intimates his intention of not working the newly discovered mineral or fail to give any intimation of his intention to work it within the period fixed, then it shall be open to the Government to sublet the working of such newly discovered minerals among others.

24. Provided always that the lessee shall have the right to import all machinery, plant and utensils required for purposes of carrying out any mining or metallurgical operations under this lease and any medicines or medical appliances for the comfort of his employees into His Exalted Highness the Nizam's Territory free of all fiscal charges and duties and shall also have the right to export all outturn from the mines free of all export charges and duties.

25. Provided also and it is hereby agreed and declared that if the lessee shall be desirous of determining the said term of THIRTY YEARS hereby granted and of such desire shall give to the Government twelve calendar months' previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the lessee to be performed and observed up to the expiration of the said twelve months, then and in such case upon the expiration of the said twelve months the term hereby granted shall absolutely cease and determine.

26. Provided also that the Government shall have the right to enter upon the leased premises and distrain and carry away all or any of the minerals or moveable property therein, if the royalty or rents reserved by this lease are more than two months in arrears.

27. Provided also that the Government shall have the right to determine this lease and take possession of all the premises of the leased area if the royalty or rents due under this lease are more than six months in arrears, or in case of any breach on the part of the lessee of any covenant or condition contained in this lease.

28. Provided also that the Government and the lessee hereby covenant and agree that any dispute or controversy which may arise between the Government and the lessee concerning this lease or any clause or thing herein contained, or the construction thereof or any matter or thing to be done thereunder or in any way connected with the lease or the operations thereof, or the rights, duties or liabilities of either party under or in connection with this lease shall be referred to the sole arbitration of one of the Judges of His Exalted Highness' High Court who may be appointed by His Exalted Highness' Government for this purpose, and the award of such Judge shall be final and conclusive on both parties.

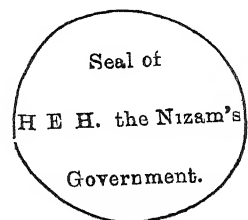
IN WITNESS whereof RAJA RAJAYAN RAJAH SIR KISHEN PERSHAD MAHARAJA BAHADUR YAMINUS SULTANAT, G.C.I.E., President of the Council of HIS EXALTED HIGHNESS THE NIZAM acting for and on behalf of the Government, and THE LESSEE have hereunto and to a duplicate hereof set their respective hands and seals the day and year above written.

Signed, sealed and delivered by the above named Raja Rajayan Rajah Sir Kishen Pershad Maharaja Bahadur Yaminus Sultanat, G. C. I. E., President of the Council of His Exalted Highness the Nizam in the presence of

Sd. Kishen Pershad
Yaminus Saltanat

Witnesses

1. Sd. Hyder N. Jung
Finance Member.
2. Sd. S. M. Mehdi
Sec. Ex. Council.

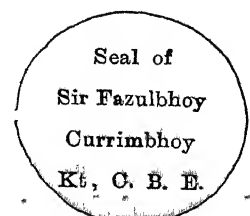


Signed, sealed and delivered for and on behalf of the above named Sir Fazulbhoy Currimbhoy, Kt., C. B. E., by his constituted attorney Mr. A. H. Rahimtula in the presence of

Sd. A. H. Rahimtula

Witnesses

1. Sd. Ahmed Alladin.
2. Sd. K. Mirza.



SCHEDULE A.

The Kanala Coal Area includes and comprises all the area containing any beds, seams, veins or deposits of coal lying and being under the land delineated on the map or plan hereto annexed and thereon coloured red.

SCHEDULE B.

The royalties on coal payable to the Government shall be the amount calculated at five per cent. on sale value at the pit's mouth subject to a minimum of two annas Osmania Sicca per ton.

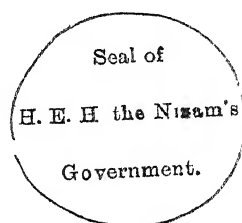
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Signed, sealed and delivered by the above named Raja Rajayan Rajah Sir Kishen Pershad Maharaja Bahadur Yaminus Sultanat, G. C. I. E. President of the Council of His Exalted Highness the Nizam in the presence of

Sd. Kishen Pershad
Yaminus Saltanat

Witnesses

1. Sd. Hyder N. Jung,
Finance Member.
2. Sd. S. M. Mehdi,
Sec. Ex. Council,



Signed, sealed and delivered for and on behalf of the above named Sir Fazulbhoy Currimbhoy, Kt., C. B. E., by his constituted attorney Mr. A. H. Rahimtula in the presence of

Sd. A. H. Rahimtula

Witnesses

1. Sd. Ahmed Alladin.
2. Sd. K. Mirza,

